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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2012</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u> |                                                                                                                                                                                                                                           |
| A This return/report is for:                                                                             | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| B This return/report is:                                                                                 | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| C If the plan is a collectively-bargained plan, check here. . . . .                                      | <input type="checkbox"/>                                                                                                                                                                                                                  |
| D Check box if filing under:                                                                             | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                        | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                         |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                                                                                                                                                             | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>07/01/1941</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>                                                  | <b>1c</b> Effective date of plan<br><u>07/01/1941</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                              | <u>001</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>07/01/1941</u>                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>UNITED TECHNOLOGIES CORPORATION</u><br><br><u>UTC BUILDING</u><br><u>ONE FINANCIAL PLAZA</u><br><u>HARTFORD, CT 06101</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>06-0570975</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>860-728-7000</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>336410</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>06-0570975</u> | <b>2c</b> Sponsor's telephone number<br><u>860-728-7000</u> | <b>2d</b> Business code (see instructions)<br><u>336410</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>06-0570975</u>                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>860-728-7000</u>                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>336410</u>                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                                                                                                            |                                                                                                 |                               |                                                                                   |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature.<br><br><b>Signature of plan administrator</b> | <u>10/11/2013</u><br><br>Date | <u>MARY SMOOLCA</u><br><br>Enter name of individual signing as plan administrator |
| <b>SIGN HERE</b>                                                                                           | <b>Signature of employer/plan sponsor</b>                                                       | Date                          | Enter name of individual signing as employer or plan sponsor                      |
| <b>SIGN HERE</b>                                                                                           | <b>Signature of DFE</b>                                                                         | Date                          | Enter name of individual signing as DFE                                           |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                                                                 |                               | Preparer's telephone number (optional)                                            |

|                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address                                                                                                                                                                                                                                                           |           | <b>3b</b> Administrator's EIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                               |           | <b>3c</b> Administrator's telephone number                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name                                                                                                                                                                                                             |           | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                       |           | <b>5</b> 138061                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                                                                                                                                                             | <b>6a</b> | 42590                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                            | <b>6b</b> | 69042                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                             | <b>6c</b> | 50573                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                      | <b>6d</b> | 162205                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                                     | <b>6e</b> | 11260                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                       | <b>6f</b> | 173465                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                                | <b>6g</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                    | <b>6h</b> | 105                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                          |           | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 1C 1G 3H                                                                                                                                                                                                                                                   |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                   |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                      |           | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                              |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                             |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |           | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input checked="" type="checkbox"/> <u>4</u> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><hr/> Department of Labor<br>Employee Benefits Security Administration<br><hr/> Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           | <b>2012</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           | <b>This Form is Open to Public Inspection</b> |

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                         |                                                                    |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                 |
|                                                                                                         |                                                                    |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>UNITED TECHNOLOGIES CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>06-0570975</u> |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

| (b) EIN           | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year |                   |
|-------------------|---------------|---------------------------------------|-----------------------------------------------------------------------------|-------------------------|-------------------|
|                   |               |                                       |                                                                             | (f) From                | (g) To            |
| <u>06-1050034</u> | <u>93629</u>  | <u>000105</u>                         |                                                                             | <u>01/01/2012</u>       | <u>12/31/2012</u> |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

|                                      |                               |
|--------------------------------------|-------------------------------|
| (a) Total amount of commissions paid | (b) Total amount of fees paid |
| <u>0</u>                             | <u>0</u>                      |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

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| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

**Part II Investment and Annuity Contract Information**

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**4** Current value of plan's interest under this contract in the general account at year end ..... **4** 114215998**5** Current value of plan's interest under this contract in separate accounts at year end ..... **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier ..... **6b****c** Premiums due but unpaid at the end of the year ..... **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount ..... **6d**

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☒ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year ..... **7b** 117664384**c** Additions: (1) Contributions deposited during the year ..... **7c(1)** 15000000(2) Dividends and credits ..... **7c(2)**(3) Interest credited during the year ..... **7c(3)** 5937727(4) Transferred from separate account ..... **7c(4)**(5) Other (specify below) ..... **7c(5)** 292993

▶ MARKET VALUE CREDIT

(6) Total additions ..... **7c(6)** 21230720**d** Total of balance and additions (add lines **7b** and **7c(6)**) ..... **7d** 138895104**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 22944117(2) Administration charge made by carrier ..... **7e(2)**(3) Transferred to separate account ..... **7e(3)**(4) Other (specify below) ..... **7e(4)** 1734989

▶ ANNUITY GUARANTEE FEE

(5) Total deductions ..... **7e(5)** 24679106**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) ..... **7f** 114215998

**Part III Welfare Benefit Contract Information**

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)     
 **b** ☐ Dental     
 **c** ☐ Vision     
 **d** ☐ Life insurance  
**e** ☐ Temporary disability (accident and sickness)     
 **f** ☐ Long-term disability     
 **g** ☐ Supplemental unemployment     
 **h** ☐ Prescription drug  
**i** ☐ Stop loss (large deductible)     
 **j** ☐ HMO contract     
 **k** ☐ PPO contract     
 **l** ☐ Indemnity contract  
**m** ☐ Other (specify) ▶

**9** Experience-rated contracts:

|                                                                                                                                                   |                 |                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |  |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |  |
| (3) Increase (decrease) in unearned premium reserve.....                                                                                          | <b>9a(3)</b>    |                 |  |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    |  |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |  |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |  |
| (3) Incurred claims (add (1) and (2)).....                                                                                                        |                 | <b>9b(3)</b>    |  |
| (4) Claims charged.....                                                                                                                           |                 | <b>9b(4)</b>    |  |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |  |
| (A) Commissions.....                                                                                                                              | <b>9c(1)(A)</b> |                 |  |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |  |
| (C) Other specific acquisition costs.....                                                                                                         | <b>9c(1)(C)</b> |                 |  |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |  |
| (E) Taxes.....                                                                                                                                    | <b>9c(1)(E)</b> |                 |  |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |  |
| (G) Other retention charges.....                                                                                                                  | <b>9c(1)(G)</b> |                 |  |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> |  |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |  |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....                                |                 | <b>9d(1)</b>    |  |
| (2) Claim reserves.....                                                                                                                           |                 | <b>9d(2)</b>    |  |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |  |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....                                           |                 | <b>9e</b>       |  |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                |            |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                           | <b>10a</b> |  |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount..... | <b>10b</b> |  |

Specify nature of costs ▶

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ..... ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                           |                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><hr/> <small>Department of Labor<br/>Employee Benefits Security Administration</small><br><hr/> <small>Pension Benefit Guaranty Corporation</small> | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b><br><br>► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><hr/> <b>2012</b><br><br><hr/> <b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                         |                                                                    |            |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                | <b>B</b> Three-digit plan number (PN) ►                            | <u>001</u> |
|                                                                                                         |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>UNITED TECHNOLOGIES CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>06-0570975</u> |            |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

**(a)** Name of insurance carrier

METLIFE INSURANCE COMPANY OF CONNECTICUT

| (b) EIN           | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year |                   |
|-------------------|---------------|---------------------------------------|-----------------------------------------------------------------------------|-------------------------|-------------------|
|                   |               |                                       |                                                                             | (f) From                | (g) To            |
| <u>06-0566090</u> | <u>87726</u>  | <u>080070A</u>                        |                                                                             | <u>01/01/2012</u>       | <u>12/31/2012</u> |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| <b>(a)</b> Total amount of commissions paid | <b>(b)</b> Total amount of fees paid |
| <u>0</u>                                    | <u>0</u>                             |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

**Part II Investment and Annuity Contract Information**

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**4** Current value of plan's interest under this contract in the general account at year end ..... **4** 2404329**5** Current value of plan's interest under this contract in separate accounts at year end ..... **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier ..... **6b****c** Premiums due but unpaid at the end of the year ..... **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount ..... **6d**

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year ..... **7b** 1882298**c** Additions: (1) Contributions deposited during the year ..... **7c(1)** 636263(2) Dividends and credits ..... **7c(2)**(3) Interest credited during the year ..... **7c(3)** 99734(4) Transferred from separate account ..... **7c(4)**(5) Other (specify below) ..... **7c(5)**(6) Total additions ..... **7c(6)** 735997**d** Total of balance and additions (add lines **7b** and **7c(6)**) ..... **7d** 2618295**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 196401(2) Administration charge made by carrier ..... **7e(2)** 17565(3) Transferred to separate account ..... **7e(3)**(4) Other (specify below) ..... **7e(4)**(5) Total deductions ..... **7e(5)** 213966**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) ..... **7f** 2404329

**Part III Welfare Benefit Contract Information**

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)     
**b** ☐ Dental     
**c** ☐ Vision     
**d** ☐ Life insurance  
**e** ☐ Temporary disability (accident and sickness)     
**f** ☐ Long-term disability     
**g** ☐ Supplemental unemployment     
**h** ☐ Prescription drug  
**i** ☐ Stop loss (large deductible)     
**j** ☐ HMO contract     
**k** ☐ PPO contract     
**l** ☐ Indemnity contract  
**m** ☐ Other (specify) ▶

**9** Experience-rated contracts:

|                                                                                                                                                   |                 |                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |  |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |  |
| (3) Increase (decrease) in unearned premium reserve.....                                                                                          | <b>9a(3)</b>    |                 |  |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    |  |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |  |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |  |
| (3) Incurred claims (add (1) and (2)).....                                                                                                        |                 | <b>9b(3)</b>    |  |
| (4) Claims charged.....                                                                                                                           |                 | <b>9b(4)</b>    |  |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |  |
| (A) Commissions.....                                                                                                                              | <b>9c(1)(A)</b> |                 |  |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |  |
| (C) Other specific acquisition costs.....                                                                                                         | <b>9c(1)(C)</b> |                 |  |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |  |
| (E) Taxes.....                                                                                                                                    | <b>9c(1)(E)</b> |                 |  |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |  |
| (G) Other retention charges.....                                                                                                                  | <b>9c(1)(G)</b> |                 |  |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> |  |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |  |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....                                |                 | <b>9d(1)</b>    |  |
| (2) Claim reserves.....                                                                                                                           |                 | <b>9d(2)</b>    |  |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |  |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....                                           |                 | <b>9e</b>       |  |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                |            |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                           | <b>10a</b> |  |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount..... | <b>10b</b> |  |

Specify nature of costs ▶

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ..... ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                  |                                                             |     |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012       |                                                             |     |
| <b>A</b> Name of plan<br>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN                | <b>B</b> Three-digit plan number (PN) ▶                     | 001 |
|                                                                                                  |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>UNITED TECHNOLOGIES CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>06-0570975 |     |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

(a) Name of insurance carrier  
METROPOLITAN LIFE INSURANCE COMPANY

| (b) EIN    | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year |            |
|------------|---------------|---------------------------------------|-----------------------------------------------------------------------------|-------------------------|------------|
|            |               |                                       |                                                                             | (f) From                | (g) To     |
| 13-5581829 | 65978         | GAC 243RP A-C                         |                                                                             | 01/01/2012              | 12/31/2012 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

|                                      |                               |
|--------------------------------------|-------------------------------|
| (a) Total amount of commissions paid | (b) Total amount of fees paid |
| 0                                    | 0                             |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

**Part II Investment and Annuity Contract Information**

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

|                                                                                                        |          |          |
|--------------------------------------------------------------------------------------------------------|----------|----------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> | 2107722  |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> | 17002619 |

**6 Contracts With Allocated Funds:****a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity  
(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

**a** Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee  
(3) ☐ guaranteed investment (4) ☐ other ▶

|                                                        |           |         |
|--------------------------------------------------------|-----------|---------|
| <b>b</b> Balance at the end of the previous year ..... | <b>7b</b> | 2105978 |
|--------------------------------------------------------|-----------|---------|

|                                                                       |              |        |  |
|-----------------------------------------------------------------------|--------------|--------|--|
| <b>c</b> Additions: (1) Contributions deposited during the year ..... | <b>7c(1)</b> |        |  |
| (2) Dividends and credits .....                                       | <b>7c(2)</b> |        |  |
| (3) Interest credited during the year .....                           | <b>7c(3)</b> | 1743   |  |
| (4) Transferred from separate account .....                           | <b>7c(4)</b> | 401575 |  |
| (5) Other (specify below) .....                                       | <b>7c(5)</b> |        |  |
| ▶                                                                     |              |        |  |

|                           |              |        |
|---------------------------|--------------|--------|
| (6) Total additions ..... | <b>7c(6)</b> | 403318 |
|---------------------------|--------------|--------|

|                                                                                       |           |         |
|---------------------------------------------------------------------------------------|-----------|---------|
| <b>d</b> Total of balance and additions (add lines <b>7b</b> and <b>7c(6)</b> ) ..... | <b>7d</b> | 2509296 |
|---------------------------------------------------------------------------------------|-----------|---------|

**e Deductions:**

|                                                                           |              |        |
|---------------------------------------------------------------------------|--------------|--------|
| (1) Disbursed from fund to pay benefits or purchase annuities during year | <b>7e(1)</b> | 220713 |
| (2) Administration charge made by carrier .....                           | <b>7e(2)</b> | 28748  |
| (3) Transferred to separate account .....                                 | <b>7e(3)</b> | 150436 |
| (4) Other (specify below) .....                                           | <b>7e(4)</b> | 1677   |

▶ RISK CHARGE

|                            |              |        |
|----------------------------|--------------|--------|
| (5) Total deductions ..... | <b>7e(5)</b> | 401574 |
|----------------------------|--------------|--------|

|                                                                                                         |           |         |
|---------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>f</b> Balance at the end of the current year (subtract line <b>7e(5)</b> from line <b>7d</b> ) ..... | <b>7f</b> | 2107722 |
|---------------------------------------------------------------------------------------------------------|-----------|---------|

**Part III Welfare Benefit Contract Information**

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)     
 **b** ☐ Dental     
 **c** ☐ Vision     
 **d** ☐ Life insurance  
**e** ☐ Temporary disability (accident and sickness)     
 **f** ☐ Long-term disability     
 **g** ☐ Supplemental unemployment     
 **h** ☐ Prescription drug  
**i** ☐ Stop loss (large deductible)     
 **j** ☐ HMO contract     
 **k** ☐ PPO contract     
 **l** ☐ Indemnity contract  
**m** ☐ Other (specify) ▶

**9** Experience-rated contracts:

|                                                                                                                                                   |                 |                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |  |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |  |
| (3) Increase (decrease) in unearned premium reserve.....                                                                                          | <b>9a(3)</b>    |                 |  |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    |  |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |  |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |  |
| (3) Incurred claims (add (1) and (2)).....                                                                                                        |                 | <b>9b(3)</b>    |  |
| (4) Claims charged.....                                                                                                                           |                 | <b>9b(4)</b>    |  |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |  |
| (A) Commissions.....                                                                                                                              | <b>9c(1)(A)</b> |                 |  |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |  |
| (C) Other specific acquisition costs.....                                                                                                         | <b>9c(1)(C)</b> |                 |  |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |  |
| (E) Taxes.....                                                                                                                                    | <b>9c(1)(E)</b> |                 |  |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |  |
| (G) Other retention charges.....                                                                                                                  | <b>9c(1)(G)</b> |                 |  |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> |  |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |  |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....                                |                 | <b>9d(1)</b>    |  |
| (2) Claim reserves.....                                                                                                                           |                 | <b>9d(2)</b>    |  |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |  |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....                                           |                 | <b>9e</b>       |  |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                |            |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                           | <b>10a</b> |  |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount..... | <b>10b</b> |  |

Specify nature of costs ▶

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ..... ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><hr/> Department of Labor<br>Employee Benefits Security Administration<br><hr/> Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b><br><br>► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           | <b>2012</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           | <b>This Form is Open to Public Inspection</b> |

For calendar plan year 2012 or fiscal plan year beginning **01/01/2012** and ending **12/31/2012**

|                                                                                                         |                                                                    |            |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><b>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</b>                | <b>B</b> Three-digit plan number (PN) <b>►</b>                     | <b>001</b> |
|                                                                                                         |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>UNITED TECHNOLOGIES CORPORATION</b> | <b>D</b> Employer Identification Number (EIN)<br><b>06-0570975</b> |            |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

**(a)** Name of insurance carrier

**METLIFE INSURANCE COMPANY OF CONNECTICUT**

| (b) EIN    | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year |            |
|------------|---------------|---------------------------------------|-----------------------------------------------------------------------------|-------------------------|------------|
|            |               |                                       |                                                                             | (f) From                | (g) To     |
| 06-0566090 | 87726         | 080466                                |                                                                             | 01/01/2012              | 12/31/2012 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| <b>(a)</b> Total amount of commissions paid | <b>(b)</b> Total amount of fees paid |
| 0                                           | 0                                    |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

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| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

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| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

**Part II Investment and Annuity Contract Information**

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**4** Current value of plan's interest under this contract in the general account at year end ..... **4** 3565733**5** Current value of plan's interest under this contract in separate accounts at year end ..... **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier ..... **6b****c** Premiums due but unpaid at the end of the year ..... **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount ..... **6d**

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year ..... **7b** 3446172**c** Additions: (1) Contributions deposited during the year ..... **7c(1)**(2) Dividends and credits ..... **7c(2)**(3) Interest credited during the year ..... **7c(3)** 169147(4) Transferred from separate account ..... **7c(4)**(5) Other (specify below) ..... **7c(5)**(6) Total additions ..... **7c(6)** 169147**d** Total of balance and additions (add lines **7b** and **7c(6)**) ..... **7d** 3615319**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 31436(2) Administration charge made by carrier ..... **7e(2)** 18150(3) Transferred to separate account ..... **7e(3)**(4) Other (specify below) ..... **7e(4)**(5) Total deductions ..... **7e(5)** 49586**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) ..... **7f** 3565733

**Part III Welfare Benefit Contract Information**

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)     
 **b** ☐ Dental     
 **c** ☐ Vision     
 **d** ☐ Life insurance  
**e** ☐ Temporary disability (accident and sickness)     
 **f** ☐ Long-term disability     
 **g** ☐ Supplemental unemployment     
 **h** ☐ Prescription drug  
**i** ☐ Stop loss (large deductible)     
 **j** ☐ HMO contract     
 **k** ☐ PPO contract     
 **l** ☐ Indemnity contract  
**m** ☐ Other (specify) ▶

**9** Experience-rated contracts:

|                                                                                                                                                   |                 |                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |  |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |  |
| (3) Increase (decrease) in unearned premium reserve.....                                                                                          | <b>9a(3)</b>    |                 |  |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    |  |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |  |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |  |
| (3) Incurred claims (add (1) and (2)).....                                                                                                        |                 | <b>9b(3)</b>    |  |
| (4) Claims charged.....                                                                                                                           |                 | <b>9b(4)</b>    |  |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |  |
| (A) Commissions.....                                                                                                                              | <b>9c(1)(A)</b> |                 |  |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |  |
| (C) Other specific acquisition costs.....                                                                                                         | <b>9c(1)(C)</b> |                 |  |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |  |
| (E) Taxes.....                                                                                                                                    | <b>9c(1)(E)</b> |                 |  |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |  |
| (G) Other retention charges.....                                                                                                                  | <b>9c(1)(G)</b> |                 |  |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> |  |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |  |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....                                |                 | <b>9d(1)</b>    |  |
| (2) Claim reserves.....                                                                                                                           |                 | <b>9d(2)</b>    |  |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |  |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....                                           |                 | <b>9e</b>       |  |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                |            |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                           | <b>10a</b> |  |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount..... | <b>10b</b> |  |

Specify nature of costs ▶

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ..... ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                                                  | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>UNITED TECHNOLOGIES CORPORATION</u>                        | <b>D</b> Employer Identification Number (EIN)<br><u>06-0570975</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                           |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|--------------------------------------------------|-----------|--------------|-----------------------------------|--|--|-------------------------------------|--------------|------------------|---------------------------------|--------------|-------------------|-------------------------------|--------------|--------------|----------------------|-----------|---------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                           |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>1</b>                                                                                                                                                                                                        | Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                           |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>2</b>                                                                                                                                                                                                        | Assets:<br><table><tr><td><b>a</b> Market value .....</td><td><b>2a</b></td><td><u>13890892724</u></td></tr><tr><td><b>b</b> Actuarial value .....</td><td><b>2b</b></td><td><u>13522586765</u></td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>a</b> Market value .....                                               | <b>2a</b>                         | <u>13890892724</u>        | <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> | <u>13522586765</u> |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <u>13890892724</u>                                                        |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <u>13522586765</u>                                                        |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>3</b>                                                                                                                                                                                                        | Funding target/participant count breakdown:<br><table><tr><td></td><td><b>(1) Number of participants</b></td><td><b>(2) Funding Target</b></td></tr><tr><td><b>a</b> For retired participants and beneficiaries receiving payment.....</td><td><b>3a</b></td><td><u>59281</u></td></tr><tr><td><b>b</b> For terminated vested participants.....</td><td><b>3b</b></td><td><u>38656</u></td></tr><tr><td><b>c</b> For active participants:</td><td></td><td></td></tr><tr><td>    <b>(1)</b> Non-vested benefits.....</td><td><b>3c(1)</b></td><td><u>340654272</u></td></tr><tr><td>    <b>(2)</b> Vested benefits.....</td><td><b>3c(2)</b></td><td><u>3872331032</u></td></tr><tr><td>    <b>(3)</b> Total active .....</td><td><b>3c(3)</b></td><td><u>40124</u></td></tr><tr><td><b>d</b> Total .....</td><td><b>3d</b></td><td><u>138061</u></td></tr></table> |                                                                           | <b>(1) Number of participants</b> | <b>(2) Funding Target</b> | <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                      | <b>3a</b> | <u>59281</u>       | <b>b</b> For terminated vested participants..... | <b>3b</b> | <u>38656</u> | <b>c</b> For active participants: |  |  | <b>(1)</b> Non-vested benefits..... | <b>3c(1)</b> | <u>340654272</u> | <b>(2)</b> Vested benefits..... | <b>3c(2)</b> | <u>3872331032</u> | <b>(3)</b> Total active ..... | <b>3c(3)</b> | <u>40124</u> | <b>d</b> Total ..... | <b>3d</b> | <u>138061</u> |
|                                                                                                                                                                                                                 | <b>(1) Number of participants</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>(2) Funding Target</b>                                                 |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                      | <b>3a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <u>59281</u>                                                              |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>b</b> For terminated vested participants.....                                                                                                                                                                | <b>3b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <u>38656</u>                                                              |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>c</b> For active participants:                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                           |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>(1)</b> Non-vested benefits.....                                                                                                                                                                             | <b>3c(1)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <u>340654272</u>                                                          |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>(2)</b> Vested benefits.....                                                                                                                                                                                 | <b>3c(2)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <u>3872331032</u>                                                         |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>(3)</b> Total active .....                                                                                                                                                                                   | <b>3c(3)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <u>40124</u>                                                              |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>d</b> Total .....                                                                                                                                                                                            | <b>3d</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <u>138061</u>                                                             |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>4</b>                                                                                                                                                                                                        | If the plan is in at-risk status, check the box and complete lines (a) and (b) ..... <input type="checkbox"/><br><table><tr><td><b>a</b> Funding target disregarding prescribed at-risk assumptions .....</td><td><b>4a</b></td><td></td></tr><tr><td><b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor .....</td><td><b>4b</b></td><td></td></tr></table>                                                                                                                                                                                                                                                                                                                                                  | <b>a</b> Funding target disregarding prescribed at-risk assumptions ..... | <b>4a</b>                         |                           | <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b> |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                           |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                           |                                   |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>5</b>                                                                                                                                                                                                        | Effective interest rate .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>5</b>                                                                  | <u>7.01</u> %                     |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |
| <b>6</b>                                                                                                                                                                                                        | Target normal cost.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>6</b>                                                                  | <u>293124976</u>                  |                           |                                                                                                                                                                                                                 |           |                    |                                                  |           |              |                                   |  |  |                                     |              |                  |                                 |              |                   |                               |              |              |                      |           |               |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                                             |                                                               |
|-----------------------------------------------------------------------------|---------------------------------------------------------------|
| <b>SIGN HERE</b>                                                            | <u>10/02/2013</u><br>Date                                     |
| <u>JAY MITCHELL, F.S.A</u><br>Signature of actuary                          | <u>11-05718</u><br>Most recent enrollment number              |
| <u>TOWERS WATSON PENNSYLVANIA, INC.</u><br>Type or print name of actuary    | <u>203-326-5444</u><br>Telephone number (including area code) |
| <u>263 TRESSER BOULEVARD</u><br><u>STAMFORD, CT 06901-3226</u><br>Firm name |                                                               |
| <u>Address of the firm</u>                                                  |                                                               |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2012**  
**v. 120126**

| Part II Beginning of Year Carryover Prefunding Balances                                                                     |                       |                        |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
|                                                                                                                             | (a) Carryover balance | (b) Prefunding balance |
| 7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                           | 1451106792            | 0                      |
| 8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                        | 307190030             | 0                      |
| 9 Amount remaining (line 7 minus line 8) .....                                                                              | 1143916762            | 0                      |
| 10 Interest on line 9 using prior year's actual return of 7.19% .....                                                       | 82247615              |                        |
| 11 Prior year's excess contributions to be added to prefunding balance:                                                     |                       |                        |
| a Present value of excess contributions (line 38a from prior year) .....                                                    |                       | 0                      |
| b Interest on (a) using prior year's effective interest rate of 6.27% except as otherwise provided (see instructions) ..... |                       | 0                      |
| c Total available at beginning of current plan year to add to prefunding balance .....                                      |                       | 0                      |
| d Portion of (c) to be added to prefunding balance .....                                                                    |                       | 0                      |
| 12 Other reductions in balances due to elections or deemed elections .....                                                  | 0                     | 0                      |
| 13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                       | 1226164377            | 0                      |

| Part III Funding Percentages                                                                                                                                        |    |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|
| 14 Funding target attainment percentage .....                                                                                                                       | 14 | 102.40 % |
| 15 Adjusted funding target attainment percentage .....                                                                                                              | 15 | 112.62 % |
| 16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | 16 | 100.00 % |
| 17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | 17 | %        |

| Part IV Contributions and Liquidity Shortfalls                                    |                                   |                                 |                          |                                   |                                 |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 18 Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
| Totals ►                                                                          |                                   |                                 | 18(b)                    | 0                                 | 18(c) 0                         |

|                                                                                                                               |                                                                     |         |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------|
| 19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                                     |         |
| a Contributions allocated toward unpaid minimum required contributions from prior years. ....                                 | 19a                                                                 | 0       |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                                   | 19b                                                                 | 0       |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....              | 19c                                                                 | 0       |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |         |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |
| c If line 20a is "Yes," see instructions and complete the following table as applicable:                                      |                                                                     |         |
| Liquidity shortfall as of end of quarter of this plan year                                                                    |                                                                     |         |
| (1) 1st                                                                                                                       | (2) 2nd                                                             | (3) 3rd |
| 0                                                                                                                             |                                                                     | 0       |
|                                                                                                                               |                                                                     | 0       |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

|                                                                                                                                                                                              |                       |                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.54% | 2nd segment:<br>6.85% | 3rd segment:<br>7.52 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                        | <b>22</b> 61                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                        |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 293124976          |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 289157414          |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) .....                                                         | <b>34</b>           | 3967562            |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 3967562             | 0                  | 3967562       |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |   |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |   |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |   |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |   |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               | 0 |  |

|                                                                                                                                                                                                           |                                                                                                                                                                                                                              |                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                                |                                                                            |            |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                       | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>001</u> |
|                                                                                                                |                                                                            |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>UNITED TECHNOLOGIES CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>06-0570975</u>         |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: UTC MASTER RETIREMENT TRUST

**b** Name of sponsor of entity listed in (a): UNITED TECHNOLOGIES CORPORATION

|                                       |                               |                                                                                                                        |
|---------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>13-3064404-001</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17121623935</u> |
|---------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SEPARATE ACCOUNT 00041

**b** Name of sponsor of entity listed in (a): METROPOLITAN LIFE INSURANCE COMPANY

|                                       |                               |                                                                                                                     |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>13-5581829-001</u> | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17002619</u> |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>▶ File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2012 or fiscal plan year beginning <b>01/01/2012</b> and ending <b>12/31/2012</b>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><b>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</b>                                                                                                                                                                                 | <b>B</b> Three-digit plan number (PN) <b>▶</b>                                                                                                                                                                                                                               | <b>001</b>                                                                                               |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>UNITED TECHNOLOGIES CORPORATION</b>                                                                                                                                                                  | <b>D</b> Employer Identification Number (EIN)<br><br><b>06-0570975</b>                                                                                                                                                                                                       |                                                                                                          |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                 |                       |                 |
| Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 | (a) Beginning of Year | (b) End of Year |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(10)</b>   | 16457797              | 17002619        |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>   | 13737213056           | 17121623935     |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   | 125744805             | 124062440       |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 13879415658           | 17262688994     |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |             |             |
|-----------------------------------------------------------|-----------|-------------|-------------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 13879415658 | 17262688994 |
|-----------------------------------------------------------|-----------|-------------|-------------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> |            |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 69240      |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 69240     |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 0         |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> | 6704971    |           |
| (C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....                | <b>2b(5)(C)</b> |            | 6704971   |

|                                                                                                |        | (a) Amount | (b) Total  |
|------------------------------------------------------------------------------------------------|--------|------------|------------|
| (6) Net investment gain (loss) from common/collective trusts .....                             | 2b(6)  |            |            |
| (7) Net investment gain (loss) from pooled separate accounts .....                             | 2b(7)  |            | 839574     |
| (8) Net investment gain (loss) from master trust investment accounts .....                     | 2b(8)  |            | 1924235963 |
| (9) Net investment gain (loss) from 103-12 investment entities .....                           | 2b(9)  |            |            |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            |            |
| c Other income.....                                                                            | 2c     |            |            |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 1931849748 |

**Expenses**

|                                                                                     |       |           |           |
|-------------------------------------------------------------------------------------|-------|-----------|-----------|
| e Benefit payment and payments to provide benefits:                                 |       |           |           |
| (1) Directly to participants or beneficiaries, including direct rollovers .....     | 2e(1) | 768320205 |           |
| (2) To insurance carriers for the provision of benefits .....                       | 2e(2) |           |           |
| (3) Other .....                                                                     | 2e(3) |           |           |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                        | 2e(4) |           | 768320205 |
| f Corrective distributions (see instructions) .....                                 | 2f    |           |           |
| g Certain deemed distributions of participant loans (see instructions).....         | 2g    |           |           |
| h Interest expense.....                                                             | 2h    |           |           |
| i Administrative expenses: (1) Professional fees .....                              | 2i(1) |           |           |
| (2) Contract administrator fees .....                                               | 2i(2) |           |           |
| (3) Investment advisory and management fees .....                                   | 2i(3) |           |           |
| (4) Other .....                                                                     | 2i(4) |           |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |           | 0         |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |           | 768320205 |

**Net Income and Reconciliation**

|                                                         |       |  |            |
|---------------------------------------------------------|-------|--|------------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 1163529543 |
| l Transfers of assets:                                  |       |  |            |
| (1) To this plan.....                                   | 2l(1) |  | 2219743793 |
| (2) From this plan .....                                | 2l(2) |  |            |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **KPMG LLP**

(2) EIN: **13-5565207**

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                              | Yes | No | Amount   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                         |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                               |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                      | X   |    | 90000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                      |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                   |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                         |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                | X   |    |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)..... |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                           |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                           |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                  |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                     |     | X  |          |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

| 5b(2) EIN(s) | 5b(3) PN(s) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |
|              |             |

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                         |                                                                    |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>UNITED TECHNOLOGIES CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>06-0570975</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u>   |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>06-1050034</u> |          |            |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |            |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>914</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                                        |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                                            | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                                | <b>6b</b>                    |                                        |                                         |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                                                                                                                                           | <b>6c</b>                    |                                        |                                         |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                                | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 48% Investment-Grade Debt: 34% High-Yield Debt: 0% Real Estate: 4% Other: 14%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Financial Statements and Supplemental Schedule

December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Financial Statements and Supplemental Schedule

December 31, 2012 and 2011

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| Note: Certain supplemental schedules specified by the Employee Retirement Income Security Act of 1974 (ERISA) are not applicable and have been omitted. |             |



KPMG LLP  
One Financial Plaza  
755 Main Street  
Hartford, CT 06103

## **Independent Auditors' Report**

The Participants and Administrator  
United Technologies Corporation Employee Retirement Plan:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Technologies Corporation Employee Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of December 31, 2011, and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 6, which was certified by Prudential Retirement Insurance and Annuity Company and Metropolitan Life Insurance Company (the Insurance Companies) and the information summarized in note 7, which was certified by The Bank of New York Mellon, N.A., the Trustee, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Insurance Companies and Trustee hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the Insurance Companies and Trustee as of December 31, 2012 and 2011, and for the years then ended, that the information provided to the plan administrator by the Insurance Companies and Trustee is complete and accurate.



***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (held at end of year) as of December 31, 2012 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

**KPMG LLP**

October 9, 2013

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Statements of Net Assets Available for Plan Benefits

December 31, 2012 and 2011

|                                                                                                                | <u>2012</u>              | <u>2011</u>           |
|----------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|
| Assets:                                                                                                        |                          |                       |
| Investments:                                                                                                   |                          |                       |
| Plan interest in Master Trust, at fair value, as certified by Trustee (note 7)                                 | \$ 17,121,623,935        | 13,737,213,056        |
| Investment contracts with Insurance Companies, at contract value, as certified by Insurance Companies (note 6) | 124,062,440              | 125,744,805           |
| Investment in pooled separate accounts, at fair value, as certified by Insurance Companies (note 6)            | <u>17,002,619</u>        | <u>16,457,797</u>     |
| Net assets available for plan benefits                                                                         | <u>\$ 17,262,688,994</u> | <u>13,879,415,658</u> |

See accompanying notes to financial statements.

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Statements of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2012 and 2011

|                                                                                                                                                                               | <u>2012</u>              | <u>2011</u>           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|
| Additions:                                                                                                                                                                    |                          |                       |
| Investment income:                                                                                                                                                            |                          |                       |
| Investment income – plan interest in net appreciation,<br>investment advisors’ and trustee’s fees, and investment<br>income of Master Trust, as certified by Trustee (note 7) | \$ 1,937,262,218         | 926,855,778           |
| Interest income – investment contracts, as certified by<br>Insurance Companies (note 6)                                                                                       | 6,704,971                | 7,648,255             |
| Net appreciation in pooled separate accounts, as certified<br>by Insurance Companies (note 6)                                                                                 | <u>839,574</u>           | <u>1,415,414</u>      |
| Total investment income                                                                                                                                                       | <u>1,944,806,763</u>     | <u>935,919,447</u>    |
| Employee contributions                                                                                                                                                        | <u>69,240</u>            | <u>67,839</u>         |
| Total contributions                                                                                                                                                           | <u>69,240</u>            | <u>67,839</u>         |
| Total additions                                                                                                                                                               | <u>1,944,876,003</u>     | <u>935,987,286</u>    |
| Deductions:                                                                                                                                                                   |                          |                       |
| Benefit payments                                                                                                                                                              | (768,320,205)            | (736,638,492)         |
| Administrative expenses                                                                                                                                                       | <u>(13,026,255)</u>      | <u>(16,219,005)</u>   |
| Total deductions                                                                                                                                                              | <u>(781,346,460)</u>     | <u>(752,857,497)</u>  |
| Net increase before plan transfers                                                                                                                                            | 1,163,529,543            | 183,129,789           |
| Plan mergers and transfers (note 3)                                                                                                                                           |                          |                       |
| Transfers into Plan                                                                                                                                                           | <u>2,219,743,793</u>     | <u>—</u>              |
| Net increase                                                                                                                                                                  | 3,383,273,336            | 183,129,789           |
| Net assets available for plan benefits:                                                                                                                                       |                          |                       |
| Beginning of year                                                                                                                                                             | <u>13,879,415,658</u>    | <u>13,696,285,869</u> |
| End of year                                                                                                                                                                   | <u>\$ 17,262,688,994</u> | <u>13,879,415,658</u> |

See accompanying notes to financial statements.

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Statement of Accumulated Plan Benefits

December 31, 2011

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants currently receiving payments

\$ 7,651,888,692

Other participants

7,415,772,401

15,067,661,093

Nonvested benefits

395,729,444

Total actuarial present value of accumulated plan benefits

\$ 15,463,390,537

See accompanying notes to financial statements.

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Statement of Changes in Accumulated Plan Benefits

Year ended December 31, 2011

|                                                                           |                                 |
|---------------------------------------------------------------------------|---------------------------------|
| Actuarial present value of accumulated plan benefits at beginning of year | \$ 13,881,523,126               |
| Increase (decrease) during the year attributable to:                      |                                 |
| Benefits accumulated                                                      | 346,522,157                     |
| Increase for interest due to the decrease in the discount period          | 729,969,361                     |
| Benefits paid                                                             | (736,638,492)                   |
| Plan amendments                                                           | 1,176,057                       |
| Change in actuarial assumptions (note 4)                                  | <u>1,240,838,328</u>            |
| Net increase                                                              | <u>1,581,867,411</u>            |
| Actuarial present value of accumulated plan benefits at end of year       | <u><u>\$ 15,463,390,537</u></u> |

See accompanying notes to financial statements.

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

**(1) Description of the Plan**

**(a) General**

The United Technologies Corporation Employee Retirement Plan (the Plan) is a defined benefit retirement plan and, except for former participants of the Sundstrand Electric Power Systems Retirement Plan and certain former participants of the Kidde (US) Pension Plan, is noncontributory. The Plan covers certain domestic salaried employees of United Technologies Corporation and its subsidiaries (UTC) (the Plan Sponsor) and former members of the Goodrich Corporation Employees' Pension Plan as of December 31, 2012. The Plan also covers the hourly paid employees at certain of UTC's factory locations, which are not covered by a collective bargaining agreement. Employees are eligible to participate after completing 1,000 hours of eligible service and the earlier of attaining (i) age 21 after January 1 or (ii) age 20½ after July 1 and six months of continuous service. The Plan is administered by UTC (the Plan Administrator) and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Effective July 1, 2002, a hypothetical account is to be maintained for each new salaried participant in which contributions are credited for the benefit of the individual and for all active salaried participants as of June 30, 2002 who selected the Cash Balance formula for future benefits. Participants who chose the Cash Balance formula for future benefits will receive benefits under a final average earnings formula for service through the date of election and under the cash balance formula for service subsequent to the date of election. Active participants as of June 30, 2002 who did not select the Cash Balance formula will continue to accrue benefits under the Final Average Earnings formula until December 31, 2014. All benefits under the Final Average Earnings formula will be frozen effective December 31, 2014. Affected participants will be eligible to continue to participate in the Plan under the Cash Balance formula beginning January 1, 2015.

All UTC salaried employees hired after December 31, 2009 are not eligible to participate in the Plan with the exception of certain excluded employees.

The following brief description of the Plan is provided for general information purposes only. More complete information is provided by the Summary Plan Description and Plan Document, which are available from the Plan Administrator.

**(b) Vesting and Benefit Provisions**

**Final Average Earnings**

Under the terms of the Plan, participants eligible for the Final Average Earnings formula are fully vested after 5 years of service and are eligible for pension benefits upon retirement. Generally, participants are eligible for retirement at age 65. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity, they may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or termination, or they may elect to receive their benefits as a life annuity payable monthly from retirement. Under the final average earnings formula, at retirement, eligible employees are entitled to monthly pension benefits based on either a percentage of final average earnings (as defined) multiplied by years of credited service, subject to reductions determined by applying a specified percentage to the participant's

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

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December 31, 2012 and 2011

social security amount, or a fixed benefit multiplied by the years of credited service. Eligible participants will receive early retirement benefits, reduced in a manner set forth in the plan document, based upon age and service at termination. If, upon termination, the present value of the pension benefit as of the participant's normal retirement age is equal to or less than \$5,000, the vested portion of the benefit will be transferred to an IRA account if the participant does not elect otherwise. The Plan also provides for disability and pre-retirement death benefits for certain groups of employees. As noted above, all benefits under the Final Average Earnings formula will be frozen effective December 31, 2014.

**Cash Balance**

Under the terms of the Plan, participants eligible under the Cash Balance formula are fully vested after three years of service and are eligible for pension benefits upon the earlier of termination after vesting and retirement. Under the cash balance formula, for each calendar month, a pay credit will be added to the participant's cash balance account in an amount equal to the pay credit rate for the plan year times the earnings paid to the participant during the month. For each calendar month, an interest credit will be added to a participant's cash balance account in an amount equal to his or her cash balance account as of the last day of the immediately preceding calendar month times the monthly applicable interest rate for the calendar month. Under the cash balance formula of the Plan, certain participants may elect single lump-sum payments, rollover their single lump sum payment, or receive monthly annuity payments. Other participants may only choose to receive monthly benefit payments from the Plan upon retirement. If, upon termination, the present value of the pension benefit as of the participant's normal retirement age is equal to or less than \$5,000, the vested portion of the benefit will be transferred to an IRA account if the participant does not elect otherwise. The Plan also provides for disability and pre-retirement death benefits.

**(2) Summary of Accounting and Reporting Policies**

The significant accounting and reporting policies followed by the Plan are summarized below:

**(a) Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**(b) Payment of Benefits**

Benefits are recorded when paid.

**(c) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the dates of the financial statements, the changes in net assets available for plan benefits during the reporting periods, and other amounts reported in the financial statements and accompanying notes. The actuarial present value of accumulated plan benefits and contributions to the Plan are estimates which are based upon the

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

actuarial methods and assumptions selected regarding salary rates, employee termination rates, mortality rates and other factors. Actual results could differ from those estimates.

**(d) *Funding Policy***

UTC's funding policy is to make periodic contributions to the Plan in amounts that will meet or exceed the annual ERISA minimum funding requirement. UTC's contributions, if any, for the years ended December 31, 2012 and 2011 have met the minimum funding requirements of ERISA.

Participants of the Plan who were former Sundstrand Electric Power Systems Retirement Plan participants may elect to contribute annually 1.5% of their total compensation. Participants of the Plan who were former employees of Kidde Dual Spectrum and were former Kidde (US) Pension Plan participants may elect to contribute annually 3% of their total compensation. Other participants are not eligible to contribute to the Plan.

**(e) *Administrative Expenses/Related Party Transactions***

Expenses incurred in the administration of the Plan including fees paid to third-party administrators and other expenses, primarily actuarial fees, and Pension Benefit Guaranty Corporation (PBGC) premiums, are paid from the Plan's assets.

Certain plan investments are managed by The Bank of New York Mellon, N.A. (the Trustee) and Prudential Retirement Insurance and Annuity Company and Metropolitan Life Insurance Company (the Insurance Companies). These transactions qualify as party-in-interest transactions. For the years ended December 31, 2012 and 2011, fees paid by the Plan or allocated to the Plan in the Master Trust for investment advisory services and trustee services to the Trustee amounted to \$49,525 thousand and \$40,760 thousand, respectively. For the years ended December 31, 2012 and 2011, fees paid by the Plan for investment advisory services, trustee and administrative expenses to the Insurance Companies amounted to \$1,806 thousand and \$1,855 thousand, respectively.

**(f) *Investments in Insurance Contracts and Pooled Separate Accounts***

The Plan's investments in insurance contracts are reported based upon unaudited statements certified by the Insurance Companies (see note 6). Under these contracts a portion of the investments are held in Immediate Participation Guarantee (IPG) Funds and pooled separate accounts. The IPG Funds are reported at contract value based on the deposited assets plus interest on such assets less costs of administration and payment of benefits. Interest is credited to the IPG Funds in accordance with the estimated allocation procedures of the Insurance Companies. Investments in pooled separate accounts are valued at fair value. The Insurance Companies have discretionary authority concerning investment of such deposits. The investments held in the IPG Funds were established prior to March 20, 1992 and therefore are reported at contract values as permitted by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 960, *Plan Accounting – Defined Benefit Pension Plans*. Pooled separate account investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

**(g) Master Trust**

The Plan's interest in the UTC Master Trust (Master Trust) is based upon the value of units of participation as certified by the Master Trust Trustee (see note 7). Master Trust investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of the Plan's interest in investment income (loss) and realized and unrealized appreciation (depreciation) in the market value of the invested assets of the Master Trust, net of investment advisory and trustee fees, is allocated to the Plan by the Trustee based on the Plan's proportionate interest in the Master Trust.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded as earned. UTC performs ongoing due diligence reviews of the Master Trust's investments and has retained a consultant to provide quarterly reports, including a performance review.

**(h) Risks and Uncertainties**

The investment managers retained by the Plan Administrator have discretion to invest Master Trust assets in derivative financial instruments to manage risk as well as to enhance yields. These derivatives are primarily in the form of forward foreign exchange contracts, and various equity and interest rate futures. Such derivative instruments are reported at fair value within the Master Trust, and the changes in fair value are reported currently in the net appreciation (depreciation) of the Master Trust and not deferred. The future foreign exchange contracts represent an obligation to receive or disburse the change in the market value of the index. A portion of the Master Trust's assets are invested in international securities. As a result, the Master Trust assets are exposed to risk from fluctuations in foreign exchange rates.

By nature, all financial instruments involve risk, generally market risk, arising from changes in stock and bond prices, interest rates or currency exchange rates, credit risk, and the risk that an issuer or counter party will default on an agreed-upon transaction.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change.

Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**(i) Fair Value Measurement**

U.S. GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- **Level 1** – The types of instruments classified as Level 1 are valued based on quoted market prices in active markets.
- **Level 2** – The types of instruments classified as Level 2 are valued based on inputs other than quoted prices that are observable for the asset, such as quoted prices for similar instruments in active markets or similar instruments in markets that are not active and model-based valuations for which all significant assumptions are observable or can be corroborated by observable market data.
- **Level 3** – Investments classified as Level 3 have inputs based on unobservable price data. They typically trade infrequently and therefore have little or no price transparency. Fair value pricing is developed based on the best information available which can include the reporting entity's own data.

An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan Administrator believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Transfers between levels, if any, are recorded as of the date the transfer occurred.

**(j) Recent Accounting Pronouncements**

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards*. ASU No. 2011-04 provides a consistent definition of fair value and ensures that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU No. 2011-04 specifies that in the absence of a Level 1 input for a fair value measure, a reporting entity should apply premiums or discounts when market participants would take them into account when pricing the asset or liability. In addition, the guidance enhances the disclosure requirements that reporting entities must provide quantitative information about inputs used within Level 3 of the fair value hierarchy. These disclosures became effective for the Plan in 2012. The adoption of the guidance did not have a material impact on the Plan's financial statements.

**(k) Reclassifications**

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

**(3) Plan Merger**

In July 2012, UTC completed its acquisition of Goodrich Corporation (Goodrich). Effective October 1, 2012, the Goodrich Master Trust was merged with the UTC Master Trust. As a result, assets totaling \$2,912 million were transferred into the UTC Master Trust. Effective December 31, 2012, the Plan was amended to merge the Goodrich Corporation Employees' Pension Plan into the Plan. As a result, assets totaling \$2,220 million and \$2,686 million of benefit obligations were transferred into the Plan effective December 31, 2012.

**(4) Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to the service employees have rendered as of the actuarial valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation to determine benefit obligations as of December 31, 2011 were:

|                    | <u>2011</u>                   |
|--------------------|-------------------------------|
| a. Discount rate   | 4.70% per year                |
| b. Mortality table | RP-2000                       |
| c. Retirement age  | Decrement averaging at age 61 |

The present value of accumulated plan benefits as of December 31, 2011 increased by \$1,241 million due to changes in actuarial assumptions mainly as a result of a decrease in the discount rate assumption from 5.40% at December 31, 2010 to 4.70% at December 31, 2011.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

**(5) Plan Termination**

Although UTC has not expressed any intent to terminate the Plan, it may do so at any time. In the event the Plan terminates, the net assets generally will not be available on a pro rata basis to provide for participant's benefits. The maximum amount of PBGC guaranteed benefits for terminations in 2013 at age 65 is \$4,790 per month. Whether all plan participants receive their full plan benefits, should the Plan terminate at some future time, would depend on the priority of these benefits and the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the existing plan assets and the PBGC guarantee while other benefits may not be provided for at all.

Upon termination, UTC shall give notice to the PBGC and shall comply with its procedures and lawful orders. As soon as it may do so, UTC thereupon shall cause all amounts in the hands of the Trustee and Insurance Companies to be allocated and distributed in the manner and order set forth in Section 4044 of ERISA to the extent of the sufficiency of the Plan's assets.

Additional information concerning the priority order of participants' claims to the assets of the Plan upon termination can be obtained from the Summary Plan Description, which is available from the Plan Administrator.

**(6) Immediate Participation Guarantee (IPG) Funds and Pooled Separate Accounts (Unaudited)**

A portion of the Plan's assets are held in IPG Funds and separate accounts with the Insurance Companies. Amounts invested in IPG Funds are primarily invested in Prudential's General Account under a contract established on January 1, 1978 and earn the same rate of return that Prudential's general fund achieves. The remaining assets in IPG Funds and pooled separate accounts are held by the Insurance Companies under various contracts. These contracts continue in perpetuity. Under the terms of the IPG Funds' contracts, the Insurance Companies maintain separate accounting of investment income and expenses. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The Plan Administrator does not believe that any events would limit the Plan's ability to transact at contract value.

The following is a summarization of the unaudited amounts held under the contracts certified by the Insurance Companies in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

|                                                          | <b>December 31</b>    |                    |
|----------------------------------------------------------|-----------------------|--------------------|
|                                                          | <b>2012</b>           | <b>2011</b>        |
| Immediate participation guarantee funds (contract value) | \$ 124,062,440        | 125,744,805        |
| Separate accounts (fair value)                           | 17,002,619            | 16,457,797         |
|                                                          | <b>\$ 141,065,059</b> | <b>142,202,602</b> |

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

|                                       | <b>Years ended December 31</b> |                  |
|---------------------------------------|--------------------------------|------------------|
|                                       | <b>2012</b>                    | <b>2011</b>      |
| Interest income                       | \$ 6,704,971                   | 7,648,255        |
| Net appreciation in separate accounts | 839,574                        | 1,415,414        |
|                                       | <u>\$ 7,544,545</u>            | <u>9,063,669</u> |

The following tables set forth by level, within the fair value hierarchy, the plan's assets in separate accounts held at fair value as of December 31, 2012 and 2011. The following tables do not include the plan's interest in the Master Trust because that information is presented in a separate table (See note 6).

| <b>Fair value measurements as of December 31, 2012</b> |                |                   |                |                   |
|--------------------------------------------------------|----------------|-------------------|----------------|-------------------|
|                                                        | <b>Level 1</b> | <b>Level 2</b>    | <b>Level 3</b> | <b>Fair value</b> |
| Separate accounts (fixed income)                       | \$ —           | 17,002,619        | —              | 17,002,619        |
| Total at fair value                                    | <u>\$ —</u>    | <u>17,002,619</u> | <u>—</u>       | <u>17,002,619</u> |

| <b>Fair value measurements as of December 31, 2011</b> |                |                   |                |                   |
|--------------------------------------------------------|----------------|-------------------|----------------|-------------------|
|                                                        | <b>Level 1</b> | <b>Level 2</b>    | <b>Level 3</b> | <b>Fair value</b> |
| Separate accounts (fixed income)                       | \$ —           | 16,457,797        | —              | 16,457,797        |
| Total at fair value                                    | <u>\$ —</u>    | <u>16,457,797</u> | <u>—</u>       | <u>16,457,797</u> |

Separate Accounts are valued at fair value based on underlying fixed income securities that are generally valued using current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. There have been no changes in the methodologies used at December 31, 2012 and 2011, and there were no transfers between levels for the year ended December 31, 2012.

**(7) Investment in Master Trust (Unaudited)**

UTC has entered into a Master Trust agreement with The Bank of New York Mellon, N.A. as Trustee. Under this agreement, certain pension plans of UTC and its subsidiaries combine certain of their investments in the Master Trust.

Participating plans receive units of participation in this pool of investments based on their contributions to the Master Trust. The plans redeem units of participation to meet plan requirements to pay pension benefits and administrative expenses.

UTC stock held in the Master Trust had a fair value of \$926,445 thousand and \$887,279 thousand at December 31, 2012 and 2011, respectively. UTC stock held in the Master Trust represents approximately 4% and 5% of the Master Trust's Net Assets at December 31, 2012 and 2011, respectively.

**UNITED TECHNOLOGIES CORPORATION**  
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Notes to Financial Statements

December 31, 2012 and 2011

The following is a summarization of the unaudited financial information and data for the Master Trust and the portion applicable to the Plan, certified by the Trustee in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

|                                                                                      | <b>December 31</b> |             |
|--------------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                      | <b>2012</b>        | <b>2011</b> |
|                                                                                      | (In thousands)     |             |
| Assets:                                                                              |                    |             |
| Short-term instruments:                                                              |                    |             |
| Cash and equivalents                                                                 | \$ 2,009,834       | 571,085     |
| Securities held as collateral for securities lending                                 | —                  | 1,445       |
| Equity securities, including \$926,445 at 2012<br>and \$887,279 at 2011 of UTC stock | 5,234,111          | 4,376,372   |
| Common collective trust                                                              | 2,336,581          | 2,577,339   |
| Debt securities:                                                                     |                    |             |
| Corporate debt                                                                       | 6,010,672          | 4,147,766   |
| U.S. government and related agency obligations                                       | 1,115,839          | 1,602,610   |
| Derivatives                                                                          | 27,486             | 40,947      |
| Real estate                                                                          | 1,190,975          | 854,849     |
| Limited partnerships                                                                 | 3,968,316          | 3,656,509   |
| Other                                                                                | 640,314            | 17,400      |
| Subtotal                                                                             | 22,534,128         | 17,846,322  |
| Interest and dividends receivable                                                    | 78,356             | 65,121      |
| Other receivables                                                                    | 176,300            | 54,420      |
| Total assets                                                                         | 22,788,784         | 17,965,863  |
| Liabilities:                                                                         |                    |             |
| Other payables                                                                       | 219,912            | 89,955      |
| Obligation to return securities lending collateral                                   | —                  | 1,445       |
| Total liabilities                                                                    | 219,912            | 91,400      |
| Net assets                                                                           | \$ 22,568,872      | 17,874,463  |
| Net assets of the Master Trust allocable to the Plan                                 | \$ 17,121,624      | 13,737,213  |
| Percentage of Plan's interest in the Master Trust                                    | 76%                | 77%         |

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

**Master Trust Statement of Changes in Net Assets**

|                                                                 | <b>Year ended December 31</b> |                   |
|-----------------------------------------------------------------|-------------------------------|-------------------|
|                                                                 | <b>2012</b>                   | <b>2011</b>       |
|                                                                 | (In thousands)                |                   |
| Additions:                                                      |                               |                   |
| Interest income                                                 | \$ 254,007                    | 322,226           |
| Dividend income                                                 | 123,132                       | 119,072           |
| Net appreciation in value of invested assets                    | 2,212,487                     | 758,944           |
| Other income                                                    | 70,796                        | 54,340            |
| Total net additions                                             | <u>2,660,422</u>              | <u>1,254,582</u>  |
| Deductions:                                                     |                               |                   |
| Investment advisors' and trustee's fees                         | <u>(66,325)</u>               | <u>(52,788)</u>   |
| Total deductions                                                | <u>(66,325)</u>               | <u>(52,788)</u>   |
| Net increase prior to mergers and transfers                     | 2,594,097                     | 1,201,794         |
| Increase due to merger of Goodrich Master Trust                 | 2,912,415                     | —                 |
| Contributions, distributions, and other activity                | <u>(812,103)</u>              | <u>(331,707)</u>  |
| Net increase in net assets                                      | 4,694,409                     | 870,087           |
| Net assets:                                                     |                               |                   |
| Beginning of year                                               | <u>17,874,463</u>             | <u>17,004,376</u> |
| End of year                                                     | <u>\$ 22,568,872</u>          | <u>17,874,463</u> |
| Net increase prior to transfer allocable to the Plan            | \$ 1,937,262                  | 926,856           |
| Percentage of Plan's interest in net increase prior to transfer | 75%                           | 77%               |

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During the years ended December 31, 2012 and 2011, the Master Trust's investments (including investments bought and sold, as well as investments held during the year) appreciated (depreciated) as follows:

|                         | <b>Net appreciation (depreciation)<br/>in fair value</b> |                |
|-------------------------|----------------------------------------------------------|----------------|
|                         | <b>2012</b>                                              | <b>2011</b>    |
|                         | (In thousands)                                           |                |
| Equity securities       | \$ 611,465                                               | (384,444)      |
| Common collective trust | 209,608                                                  | (82,149)       |
| Debt securities         | 310,303                                                  | 734,371        |
| Limited partnerships    | 438,932                                                  | 331,404        |
| Derivatives             | 541,365                                                  | 78,343         |
| Real estate             | 75,193                                                   | 68,612         |
| Other                   | 25,621                                                   | 12,807         |
|                         | <u>\$ 2,212,487</u>                                      | <u>758,944</u> |

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011, and there were no transfers between levels for the year ended December 31, 2012.

Quoted market prices are used to value equity and certain actively traded debt investments when available. Investments in securities traded on national and foreign securities exchanges are valued using the pricing services' reported sale prices on the last business day of the year or, if no sales were reported on that date, at the last reported bid prices.

Forward currency contracts, futures and options are valued at the exchange rates and market prices prevailing on the last business day of the year. Both exchange rates and market prices are readily available from published sources. Temporary cash investments are stated at fair value.

The Plan's interest in certain common collective trusts and limited partnerships are reported at the net asset value (NAV) reported by the fund managers. NAV is used to estimate the fair value of the Plan's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of December 31, 2012, the Plan had no specific plans or intentions to sell investments at amounts different than NAV.

For securities that have no quoted market price, including those valued using NAV, many factors are considered in arriving at that fair market value, which include the following:

Common collective trusts invest in other public or private individual assets as determined and managed by the fund. The Plan's interest in the common/collective trust funds are based on the fair values of the underlying investments. Investments in collective trust funds are valued at their respective NAV per share/unit on the valuation date. There are no unfunded commitments and investments can be redeemed monthly with 30-120 days notice.

**UNITED TECHNOLOGIES CORPORATION**  
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Limited partnerships, also valued at NAV, principally private equity investments, are valued quarterly by the general partner using various valuation methods such as discounted cash flows, earnings multiples and market multiples. Valuation adjustments occur which reflect changes in operating results, financial condition, or prospects of the applicable portfolio company. Since valuation estimates are typically lagged a quarter, a fourth quarter roll-forward valuation process is used for fund level partnerships. This process takes into account latest reported valuation, monthly capital calls, management fees, return of capital, income distributions, and realized gains/losses.

For fixed-income securities, the market approach pricing methodology is primarily used where observable prices are obtained by market transactions involving identical or comparable securities of issuers with similar credit ratings. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar investments.

Real estate investments are valued on a quarterly basis; principally, rental property subject to long-term leases has been estimated on the basis of future rental receipts and estimated residual values discounted at interest rates commensurate with the risks involved. These valuation estimates are supplemented by third-party appraisals on an annual basis.

Fair value information for investments that are measured at fair value on a recurring basis is as follows at December 31, 2012 and 2011 (in thousands):

| Fair value measurements as of December 31, 2012 |            |           |         |           |
|-------------------------------------------------|------------|-----------|---------|-----------|
|                                                 | Level 1    | Level 2   | Level 3 | Total     |
| Cash and equivalents                            | \$ 658,756 | 1,351,078 | —       | 2,009,834 |
| Equity:                                         |            |           |         |           |
| Aerospace/Defense                               | 971,585    | —         | —       | 971,585   |
| Automotive                                      | 133,764    | —         | —       | 133,764   |
| Banks                                           | 360,336    | —         | —       | 360,336   |
| Food and beverage                               | 207,747    | —         | —       | 207,747   |
| Chemicals                                       | 147,759    | —         | —       | 147,759   |
| Computers                                       | 132,784    | —         | —       | 132,784   |
| Financial services                              | 162,135    | —         | —       | 162,135   |
| Electrical components                           | 137,077    | —         | —       | 137,077   |
| Oil and gas                                     | 345,976    | —         | —       | 345,976   |
| Healthcare                                      | 120,631    | —         | —       | 120,631   |
| Insurance                                       | 163,818    | —         | —       | 163,818   |
| Telecommunications                              | 190,445    | —         | —       | 190,445   |
| Pharmaceuticals                                 | 264,270    | —         | —       | 264,270   |
| Retail                                          | 182,413    | —         | —       | 182,413   |
| Software                                        | 107,927    | —         | —       | 107,927   |
| Other                                           | 1,605,444  | —         | —       | 1,605,444 |
| Total equity                                    | 5,234,111  | —         | —       | 5,234,111 |

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

| Fair value measurements as of December 31, 2012 |              |               |               |            |
|-------------------------------------------------|--------------|---------------|---------------|------------|
|                                                 | Level 1      | Level 2       | Level 3       | Total      |
| Common collective trusts:                       |              |               |               |            |
| Equities                                        | \$ —         | 1,258,766     | —             | 1,258,766  |
| Cash equivalents                                | —            | 480,164       | —             | 480,164    |
| Other                                           | —            | 597,651       | —             | 597,651    |
| Common collective trusts                        | —            | 2,336,581     | —             | 2,336,581  |
| Debt securities:                                |              |               |               |            |
| Banking and finance                             | —            | 954,943       | —             | 954,943    |
| Food, Beverage, and Tobacco                     | —            | 198,036       | —             | 198,036    |
| Healthcare                                      | —            | 576,044       | —             | 576,044    |
| Insurance                                       | —            | 213,411       | —             | 213,411    |
| Retail                                          | —            | 329,617       | —             | 329,617    |
| Oil and Gas                                     | —            | 426,360       | —             | 426,360    |
| Technology                                      | —            | 211,033       | —             | 211,033    |
| Utilities                                       | —            | 1,203,095     | —             | 1,203,095  |
| Other                                           | —            | 1,898,133     | —             | 1,898,133  |
| U.S. government and related agency obligations  | 1,021,056    | 94,783        | —             | 1,115,839  |
| Total debt                                      | 1,021,056    | 6,105,455     | —             | 7,126,511  |
| Limited partnerships:                           |              |               |               |            |
| Private equities                                | —            | 1,939,602 (a) | 1,852,794 (b) | 3,792,396  |
| Other                                           | —            | —             | 175,920 (c)   | 175,920    |
| Limited partnerships                            | —            | 1,939,602     | 2,028,714     | 3,968,316  |
| Derivatives                                     | 28,114       | (628)         | —             | 27,486     |
| Real estate                                     | —            | —             | 1,190,975     | 1,190,975  |
| Other                                           | 5,452        | 634,862       | —             | 640,314    |
| Total assets at fair value                      | \$ 6,947,489 | 12,366,950    | 3,219,689     | 22,534,128 |

- (a) Includes investment in domestic private equity funds with monthly redemption frequency and 30 days notice.
- (b) Includes investment in private equity both domestically and internationally. These investments can never be redeemed during the life of the funds. Approximately 69% of the funds have a life up to 5 years and approximately 31% have a life of 5 years to 10 years. Unfunded commitments total approximately \$1,016 million.
- (c) Primarily includes real estate funds with quarterly redemption frequency and 60 days notice.

**UNITED TECHNOLOGIES CORPORATION**  
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| Fair value measurements as of December 31, 2011 |            |               |               |           |
|-------------------------------------------------|------------|---------------|---------------|-----------|
|                                                 | Level 1    | Level 2       | Level 3       | Total     |
| Cash and equivalents                            | \$ 571,085 | —             | —             | 571,085   |
| Equity:                                         |            |               |               |           |
| Aerospace/Defense                               | 919,888    | —             | —             | 919,888   |
| Automotive                                      | 108,197    | —             | —             | 108,197   |
| Banks                                           | 197,635    | —             | —             | 197,635   |
| Food and beverage                               | 155,238    | —             | —             | 155,238   |
| Chemicals                                       | 99,506     | —             | —             | 99,506    |
| Computers                                       | 153,448    | —             | —             | 153,448   |
| Financial services                              | 146,694    | —             | —             | 146,694   |
| Electrical components                           | 136,417    | —             | —             | 136,417   |
| Oil and gas                                     | 358,274    | —             | —             | 358,274   |
| Healthcare                                      | 111,978    | —             | —             | 111,978   |
| Insurance                                       | 104,585    | —             | —             | 104,585   |
| Telecommunications                              | 224,937    | —             | —             | 224,937   |
| Pharmaceuticals                                 | 195,012    | —             | —             | 195,012   |
| Retail                                          | 156,885    | —             | —             | 156,885   |
| Software                                        | 111,555    | —             | —             | 111,555   |
| Other                                           | 1,164,108  | 32,015        | —             | 1,196,123 |
| Total equity                                    | 4,344,357  | 32,015        | —             | 4,376,372 |
| Common collective trusts:                       |            |               |               |           |
| Equities                                        | —          | 749,637       | 25,580        | 775,217   |
| Cash equivalents                                | —          | 1,385,565     | —             | 1,385,565 |
| Other                                           | —          | 247,793       | 168,764       | 416,557   |
| Common collective trusts                        | —          | 2,382,995     | 194,344       | 2,577,339 |
| Debt securities:                                |            |               |               |           |
| Banking and finance                             | —          | 786,671       | —             | 786,671   |
| Utilities                                       | —          | 787,600       | —             | 787,600   |
| Other                                           | —          | 2,570,681     | 2,814         | 2,573,495 |
| U.S. government and related agency obligations  | 1,519,714  | 82,896        | —             | 1,602,610 |
| Total debt                                      | 1,519,714  | 4,227,848     | 2,814         | 5,750,376 |
| Limited partnerships:                           |            |               |               |           |
| Private equities                                | —          | 1,516,203 (a) | 1,407,862 (b) | 2,924,065 |
| Other                                           | —          | 556,661 (c)   | 175,783 (d)   | 732,444   |
| Limited partnerships                            | —          | 2,072,864     | 1,583,645     | 3,656,509 |

**UNITED TECHNOLOGIES CORPORATION**  
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December 31, 2012 and 2011

| Fair value measurements as of December 31, 2011 |              |           |           |            |
|-------------------------------------------------|--------------|-----------|-----------|------------|
|                                                 | Level 1      | Level 2   | Level 3   | Total      |
| Derivatives                                     | \$ 37,838    | 3,109     | —         | 40,947     |
| Real estate                                     | —            | —         | 854,849   | 854,849    |
| Other                                           | —            | 17,400    | —         | 17,400     |
| Securities held as collateral                   | —            | 1,445     | —         | 1,445      |
| Total assets at fair value                      | \$ 6,472,994 | 8,737,676 | 2,635,652 | 17,846,322 |

- (a) Includes investment in domestic private equity funds with monthly redemption frequency and 30 days notice.
- (b) Includes investment in private equity both domestically and internationally. These investments can never be redeemed during the life of the funds. Approximately 69% of the funds have a life up to 5 years and approximately 31% have a life of 5 years to 10 years. Unfunded commitments total approximately \$563 million.
- (c) Includes investment in commingled funds with monthly redemption frequency and 30 days notice.
- (d) Primarily includes real estate funds with quarterly redemption frequency and 60 days notice.

In preparing its fair value disclosures, the Plan has considered the nature of the underlying investments in classifying its investments by type and valuation level. The classification of investments in the Master Trust statement of net assets reflects a classification based on the structure of the investment. As an example, real estate held within a limited partnership structure may be classified differently. The Plan believes the presentation of investments by valuation levels is representative of the required disclosures.

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

***Level 3 Gains and Losses***

The following tables set forth a summary of changes in the fair value of the plan's Level 3 assets for the years ended December 31, 2012 and 2011 (in thousands):

| <b>Level 3 Assets 2012</b>                                                               |                                         |             |                                 |                        |              |
|------------------------------------------------------------------------------------------|-----------------------------------------|-------------|---------------------------------|------------------------|--------------|
|                                                                                          | <b>Common<br/>collective<br/>trusts</b> | <b>Debt</b> | <b>Limited<br/>partnerships</b> | <b>Real<br/>estate</b> | <b>Total</b> |
| Balance at December 31, 2011                                                             | \$ 194,344                              | 2,814       | 1,583,645                       | 854,849                | 2,635,652    |
| Realized gains (losses)                                                                  | 2,914                                   | 79          | 177,180                         | (2,617)                | 177,556      |
| Unrealized gains (losses)<br>relating to instruments still<br>held at the reporting date | 23,096                                  | 108         | 16,175                          | 57,682                 | 97,061       |
| Purchases                                                                                | 420,035                                 | 9           | 304,820                         | 101,946                | 826,810      |
| Sales                                                                                    | (117,558)                               | (3,010)     | (360,528)                       | (36,294)               | (517,390)    |
| Transfer between classifications (not<br>between levels).                                | (522,831)                               | —           | 307,422                         | 215,409                | —            |
| Balance at December 31, 2012                                                             | \$ —                                    | —           | 2,028,714                       | 1,190,975              | 3,219,689    |

|                                                                                          | Level 3 Assets 2011 |                                |       |                         |                |           |
|------------------------------------------------------------------------------------------|---------------------|--------------------------------|-------|-------------------------|----------------|-----------|
|                                                                                          | Equity              | Common<br>collective<br>trusts | Debt  | Limited<br>partnerships | Real<br>estate | Total     |
| Balance at December 31, 2010                                                             | \$ 515              | 17,259                         | —     | 1,556,207               | 562,810        | 2,136,791 |
| Realized gains (losses)                                                                  | (92)                | (2,173)                        | —     | 112,934                 | (4,995)        | 105,674   |
| Unrealized gains (losses)<br>relating to instruments still<br>held at the reporting date | 29                  | 7,810                          | (60)  | 34,694                  | 73,608         | 116,081   |
| Purchases                                                                                | —                   | 172,561                        | 2,874 | 210,701                 | 242,948        | 629,084   |
| Sales                                                                                    | (452)               | (1,113)                        | —     | (330,891)               | (19,522)       | (351,978) |
| Balance at December 31, 2011                                                             | \$ —                | 194,344                        | 2,814 | 1,583,645               | 854,849        | 2,635,652 |

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

***Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements***

The following table represents the Master Trust's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments as of December 31, 2012, and the significant unobservable inputs and the ranges of values for those inputs (in thousands):

| Level 3 investment   | Fair value   | Principal valuation technique                                                                                                                                  | Significant unobservable inputs                                                                                                                                                        | Range of significant input values                                                                             |
|----------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Real estate          | \$ 1,190,975 | Discounted Cash Flow Analysis                                                                                                                                  | Revenue Growth Rate<br>Discount Rate<br>Exit Cap Rate                                                                                                                                  | 0% - 11%<br>6.5% - 9.5%<br>5.75% - 9%                                                                         |
| Limited partnerships | 2,028,714    | Market Value Comparable<br>Company Analysis<br>Discounted Cash Flow Analysis<br>Expected Returns<br>Benchmark Pricing<br>Comparable Yields<br>Recent Financing | EBITDA Multiples<br>WACC<br>Illiquidity Discount<br>Control Premium<br>Lack of Control Discount<br>Tangible book value<br>Revenue Multiple<br>Terminal Capitalization<br>Rate<br>Yield | 2.8X - 20X<br>6% - 25%<br>0% - 37%<br>0% - 30%<br>5% - 17%<br>0X - 0.8X<br>1X - 5X<br>0% - 7.5%<br>0% - 22.5% |

In estimating fair value of the investments in level 3, the Plan Administrator may use third-party pricing sources. In substantiating the reasonableness of the pricing data provided by third parties, the Plan Administrator evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

***Derivative Financial Instruments***

At December 31, 2012 and 2011, the Master Trust had open foreign currency contracts to purchase approximately \$141,000 million and \$259,000 million, respectively, and sell approximately \$141,000 million and \$259,000 million, respectively, of various foreign currencies.

**(8) Tax Status of the Plan**

The Internal Revenue Service has determined and informed the Plan Administrator by a letter dated December 14, 2009 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. The Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the

**UNITED TECHNOLOGIES CORPORATION**  
**EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

tax positions taken by the Plan and has concluded that as of December 31, 2012 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing authorities; however, there are currently no audits in progress for any tax periods.

**(9) Subsequent Events**

The Plan Administrator evaluated subsequent events through October 9, 2013, the date of issuance of its financial statements and determined that there are no items to disclose.

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

| (a) | (b)<br>Identity of issuer, borrower,<br>lessor, or similar party | (c)<br>Description of investment including<br>maturity date, rate of interest,<br>collateral, par, or maturity value | (d)<br>Cost of<br>asset | (e)<br>Current |
|-----|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------|----------------|
| *   | Prudential Retirement Insurance<br>and Annuity Company           | Immediate Participation Guarantee Fund                                                                               | \$ 115,357,912          | 115,357,912    |
| *   | Metropolitan Life Insurance Company                              | Immediate Participation Guarantee Fund                                                                               | 8,704,528               | 8,704,528      |
|     | Metropolitan Life Insurance Company                              | Separate Accounts-Blackrock Managed<br>Broad Market Bond Fund                                                        | 14,468,808              | 17,002,619     |
|     | Total                                                            |                                                                                                                      | \$ 138,531,248          | 141,065,059    |

\* Denotes a party-in-interest to the Plan

The information in this schedule has been certified as to its completeness and accuracy by Prudential Retirement Insurance and Annuity Company and Metropolitan Life Insurance Company in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

See accompanying independent auditors' report.

## **Schedule SB - Statement by Enrolled Actuary**

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Plan Sponsor</b>      | United Technologies Corporation |
| <b>EIN/PN</b>            | 06-0570975 / 001                |
| <b>Plan Name</b>         | UTC Employee Retirement Plan    |
| <b>Valuation Date</b>    | January 1, 2012                 |
| <b>Enrolled Actuary</b>  | Jay Mitchell, F.S.A             |
| <b>Enrollment Number</b> | 11-05718                        |

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of the Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

**United Technologies Corporation****Employee Retirement Plan****EIN: 06-0570975 PN: 001****Schedule SB, line 22 - Description of Weighted Average Retirement Age**

| (1) | (2)              | (3)   | (4)                                              | (5)                                       |
|-----|------------------|-------|--------------------------------------------------|-------------------------------------------|
| Age | Retirement<br>Qx | tPx   | Number of<br>Expected<br>Retirements<br>=(2)x(3) | Weighted<br>Retirement<br>Age<br>=(1)x(4) |
| 55  | 0.050            | 1.000 | 0.050                                            | 2.750                                     |
| 56  | 0.050            | 0.950 | 0.048                                            | 2.660                                     |
| 57  | 0.100            | 0.903 | 0.090                                            | 5.144                                     |
| 58  | 0.100            | 0.812 | 0.081                                            | 4.711                                     |
| 59  | 0.100            | 0.731 | 0.073                                            | 4.313                                     |
| 60  | 0.150            | 0.658 | 0.099                                            | 5.921                                     |
| 61  | 0.100            | 0.559 | 0.056                                            | 3.411                                     |
| 62  | 0.250            | 0.503 | 0.126                                            | 7.801                                     |
| 63  | 0.250            | 0.377 | 0.094                                            | 5.945                                     |
| 64  | 0.250            | 0.283 | 0.071                                            | 4.530                                     |
| 65  | 1.000            | 0.212 | 0.212                                            | 13.802                                    |

**WEIGHTED AVERAGE RETIREMENT AGE**

60.988

**United Technologies Corporation**  
**Employee Retirement Plan**  
**EIN: 06-0570975      PN: 001**  
**Schedule SB - Line 26 - Schedule of Active Participant Data**

**Total Non-Rep**

| Attained Age |                  | Total Years of Credited Service |        |                  |          |          |          |          |          |          |         |
|--------------|------------------|---------------------------------|--------|------------------|----------|----------|----------|----------|----------|----------|---------|
|              |                  | <1                              | 1 to 4 | 5 to 9           | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |
| <25          | Count            | 36                              | 238    | 18               | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 39,809                          | 53,978 |                  |          |          |          |          |          |          |         |
| 25 to 29     | Count            | 54                              | 1,558  | 829              | 17       | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 51,763                          | 66,071 | 70,462           |          |          |          |          |          |          |         |
| 30 to 34     | Count            | 50                              | 1,072  | 1,378            | 477      | 14       | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 64,882                          | 76,028 | 78,114           | 85,881   |          |          |          |          |          |         |
| 35 to 39     | Count            | 45                              | 961    | 1,114            | 1,031    | 240      | 1        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 88,098                          | 85,530 | 87,638           | 92,573   | 101,152  |          |          |          |          |         |
| 40 to 44     | Count            | 41                              | 897    | 1,110            | 991      | 496      | 383      | 17       | 0        | 0        | 0       |
|              | Average Earnings | 91,096                          | 90,966 | 93,186           | 99,038   | 103,529  | 99,143   |          |          |          |         |
| 45 to 49     | Count            | 37                              | 947    | 1,202            | 1,093    | 590      | 1,376    | 828      | 29       | 0        | 1       |
|              | Average Earnings | 74,401                          | 95,709 | 94,608           | 99,493   | 102,536  | 110,547  | 111,565  | 77,500   |          |         |
| 50 to 54     | Count            | 34                              | 836    | 1,056            | 1,104    | 608      | 1,249    | 1,696    | 928      | 35       | 0       |
|              | Average Earnings | 78,907                          | 93,300 | 92,879           | 96,961   | 102,146  | 104,668  | 118,330  | 107,592  | 84,339   |         |
| 55 to 59     | Count            | 15                              | 549    | 701              | 697      | 413      | 819      | 918      | 1,491    | 236      | 8       |
|              | Average Earnings |                                 | 86,746 | 86,214           | 93,178   | 95,683   | 99,058   | 105,055  | 114,408  | 100,128  |         |
| 60 to 64     | Count            | 6                               | 240    | 386              | 337      | 239      | 359      | 417      | 448      | 299      | 149     |
|              | Average Earnings |                                 | 85,254 | 87,802           | 88,982   | 88,204   | 95,567   | 96,931   | 104,836  | 116,553  | 102,175 |
| 65 to 69     | Count            | 1                               | 52     | 135              | 107      | 55       | 75       | 63       | 70       | 48       | 91      |
|              | Average Earnings |                                 | 76,453 | 96,942           | 90,091   | 90,585   | 87,756   | 95,721   | 104,562  | 109,302  | 114,436 |
| 70 & up      | Count            | 0                               | 14     | 21               | 16       | 10       | 11       | 11       | 5        | 2        | 19      |
|              | Average Earnings |                                 |        | 95,327           |          |          |          |          |          |          |         |
| Average Age: |                  | 47.56                           |        | Average Service: |          | 14.77    |          |          |          |          |         |

**United Technologies Corporation**  
**Employee Retirement Plan**  
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**Schedule SB - Line 26 - Schedule of Active Participant Data**

**Total Non-Rep Cash Balance**

| Attained Age |                      | Total Years of Credited Service |        |        |                  |          |          |          |          |          |         |
|--------------|----------------------|---------------------------------|--------|--------|------------------|----------|----------|----------|----------|----------|---------|
|              |                      | <1                              | 1 to 4 | 5 to 9 | 10 to 14         | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |
| <25          | Count                | 9                               | 202    | 18     | 0                | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance |                                 | 4,456  |        |                  |          |          |          |          |          |         |
| 25 to 29     | Count                | 27                              | 1,432  | 784    | 8                | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,084                           | 6,777  | 11,633 |                  |          |          |          |          |          |         |
| 30 to 34     | Count                | 26                              | 984    | 1,285  | 290              | 5        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,663                           | 10,130 | 16,730 | 24,165           |          |          |          |          |          |         |
| 35 to 39     | Count                | 31                              | 876    | 1,019  | 595              | 95       | 1        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 2,749                           | 14,137 | 24,421 | 30,695           | 33,584   |          |          |          |          |         |
| 40 to 44     | Count                | 28                              | 827    | 998    | 438              | 155      | 63       | 2        | 0        | 0        | 0       |
|              | Average Cash Balance | 5,260                           | 18,617 | 32,058 | 39,418           | 36,022   | 36,596   |          |          |          |         |
| 45 to 49     | Count                | 22                              | 839    | 1,040  | 383              | 171      | 276      | 87       | 4        | 0        | 0       |
|              | Average Cash Balance | 4,851                           | 22,223 | 38,457 | 44,662           | 40,230   | 61,585   | 57,466   |          |          |         |
| 50 to 54     | Count                | 14                              | 734    | 920    | 310              | 136      | 281      | 222      | 97       | 5        | 0       |
|              | Average Cash Balance |                                 | 24,529 | 43,813 | 49,749           | 56,064   | 71,649   | 89,006   | 98,098   |          |         |
| 55 to 59     | Count                | 10                              | 476    | 618    | 175              | 85       | 183      | 136      | 151      | 28       | 1       |
|              | Average Cash Balance |                                 | 24,273 | 44,157 | 59,291           | 51,662   | 87,752   | 91,649   | 114,248  | 110,626  |         |
| 60 to 64     | Count                | 5                               | 209    | 339    | 86               | 49       | 70       | 41       | 28       | 21       | 8       |
|              | Average Cash Balance |                                 | 23,429 | 45,109 | 58,559           | 59,322   | 72,433   | 90,583   | 109,949  | 155,100  |         |
| 65 to 69     | Count                | 1                               | 47     | 111    | 30               | 10       | 10       | 10       | 8        | 4        | 4       |
|              | Average Cash Balance |                                 | 21,294 | 51,569 | 69,809           |          |          |          |          |          |         |
| 70 & up      | Count                | 0                               | 7      | 16     | 2                | 3        | 2        | 0        | 0        | 0        | 1       |
|              | Average Cash Balance |                                 |        |        |                  |          |          |          |          |          |         |
| Average Age: |                      |                                 | 47.62  |        | Average Service: |          | 14.83    |          |          |          |         |

## Actuarial Assumptions and Methods — Contributions

### Economic Assumptions

|                                                     | Non-Rep        |            |
|-----------------------------------------------------|----------------|------------|
| Interest rate basis:                                | September 2011 |            |
| ▶ Applicable month                                  | Segment rates  |            |
| ▶ Yield curve basis                                 | yes            |            |
| ▶ MAP-21 applied for funding                        | yes            |            |
| ▶ MAP-21 applied for benefit restrictions           | yes            |            |
| Interest rates:                                     | Not            |            |
|                                                     | Reflecting     | Reflecting |
|                                                     | Corridor       | Corridor   |
| First segment rate                                  | 5.54%          | 2.06%      |
| Second segment rate                                 | 6.85%          | 5.25%      |
| Third segment rate                                  | 7.52%          | 6.32%      |
| ▶ Effective interest rate                           | 7.01%          | 5.50%      |
| Annual rates of increase                            |                |            |
| ▶ Compensation                                      | 4.50%          |            |
| ▶ Future Social Security wage bases                 | 3.00%          |            |
| ▶ Statutory limits on compensation                  | 2.50%          |            |
| Crediting rate on cash balance accounts             | 5.00%          |            |
| Crediting rate for Rocketdyne cash balance accounts | 5.25%          |            |

## Demographic Assumptions

|                                                           |                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inclusion date                                            | The valuation date coincident with or next following the date on which the employee becomes a participant.                                                                                                                                                                                                                                     |
| New or rehired employees                                  | It was assumed there will be no new or rehired employees.                                                                                                                                                                                                                                                                                      |
| Mortality                                                 |                                                                                                                                                                                                                                                                                                                                                |
| ▶ Healthy                                                 | Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2027 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2019 using Scale AA).                                                             |
| ▶ Disabled                                                | Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2027 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2019 using Scale AA).                                                             |
| Termination                                               | Rates varying by age and service<br>See Exhibit A                                                                                                                                                                                                                                                                                              |
| Disability                                                | Rates varying by age<br>See Exhibit B                                                                                                                                                                                                                                                                                                          |
| Retirement                                                | Rates varying by age<br>See Exhibit C                                                                                                                                                                                                                                                                                                          |
| Unpredictable Contingent Event Benefit (UCEB) assumptions | For Non-Rep, 10% of termination rates are assumed to be layoffs eligible for an additional year of service under certain plan formulas. These assumptions have been selected by the plan sponsor, and evaluation of the assumption(s) was outside the scope of Towers Watson’s assignment and would have required substantial additional work. |

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Schedule SB, Part V – Assumptions and Methods

|                            |                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form of payment            | 50% life annuity and 50% CA benefit (equally split between option 50% and option 100% CA);<br>For Non-Rep Rocketdyne: 30% life annuity and 70% CA benefit (option 50%);<br>For Non-Rep cash balance participants (other than HMR cash balance): for retirement and death, immediate lump sum; for vested termination, 75% immediate lump sum and 25% deferred to age 55 lump sum; |
| Percent married            | 100% at age 55 for subplans with the 100% CA annuity that allows non-spouse beneficiaries;<br>81% for all others in Non-Rep                                                                                                                                                                                                                                                       |
| Spouse age                 | Females three years younger than males.                                                                                                                                                                                                                                                                                                                                           |
| Covered pay                | For current year hires, the maximum of pay rate and the prior year's pensionable earnings, annualized and increased by 3.00%. For participants on leave of absence, pay rate. For all other participants, prior year's pensionable earnings increased by 3.00%.<br><br>For Non-Rep, a minimum of \$25,000 is placed on valuation pay for new hires.                               |
| Administrative expenses    | For Non-Rep: 0.2% of the fair value of assets.                                                                                                                                                                                                                                                                                                                                    |
| Loads                      | For Non-Rep, the PPA and ASC 960 liability is increased by 0.5% to estimate the impact of the optional forms.                                                                                                                                                                                                                                                                     |
| At-risk assumptions        | N/A                                                                                                                                                                                                                                                                                                                                                                               |
| Timing of benefit payments | Annuity payments are payable monthly at the beginning of the month.                                                                                                                                                                                                                                                                                                               |

## Methods

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date                                          | First day of plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Funding target                                          | Present value of accrued benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Target normal cost                                      | Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year                                                                                                                                                                                                                                                                                                                                                                                                    |
| Actuarial value of assets                               | Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2011 plan year.)                                                                                |
| Benefits not valued                                     | <p>All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with United Technologies Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.</p> <p>The plan pays small benefits (with a present value up to \$5,000) in a single lump sum payment. Such lump sums are not explicitly valued as such; rather such participants benefits are valued using the benefit choice assumptions described above.</p> |
| Change in assumptions and methods since prior valuation | <p>The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2010 to September 2011. In addition, for Non-Rep, the segment rates used to determine minimum funding requirements and benefit restrictions were revised by applying the corridors of MAP-21.</p> <p>The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.</p>                    |

Exhibit A

Termination Assumptions

Annual Rates per 1,000 Participants

| Age | Plan: Non-Rep    |                 |
|-----|------------------|-----------------|
|     | Years of Service |                 |
|     | <u>0-5</u>       | <u>5 and up</u> |
| 25  | 147.4            | 94.0            |
| 30  | 137.6            | 89.0            |
| 35  | 129.4            | 75.0            |
| 40  | 118.6            | 58.6            |
| 45  | 110.0            | 49.0            |
| 50  | 105.0            | 44.0            |
| 55  | 98.5             | 38.9            |
| 60  | 0.0              | 0.0             |
| 65  | 0.0              | 0.0             |
| 70  | 0.0              | 0.0             |
| 75  | 0.0              | 0.0             |
| 80  | 0.0              | 0.0             |

Note: 10% of above termination rates are assumed to be layoffs eligible for an additional year of service (UCEBs) under certain plan formulas.

Exhibit B

Disability Assumptions  
Annual Rates per 1,000 Participants

| Plan: | Non-Rep |        |
|-------|---------|--------|
| Age   | Male    | Female |
| 25    | 0.5     | 0.6    |
| 30    | 0.6     | 0.9    |
| 35    | 0.9     | 1.5    |
| 40    | 1.4     | 2.0    |
| 45    | 2.6     | 3.3    |
| 50    | 5.1     | 5.5    |
| 55    | 9.6     | 8.5    |
| 60    | 14.7    | 10.9   |
| 65    | 0.0     | 0.0    |
| 70    | 0.0     | 0.0    |
| 75    | 0.0     | 0.0    |
| 80    | 0.0     | 0.0    |

Exhibit C

Retirement Assumptions

| Age | Non-Rep |
|-----|---------|
| 55  | 0.05    |
| 56  | 0.05    |
| 57  | 0.10    |
| 58  | 0.10    |
| 59  | 0.10    |
| 60  | 0.15    |
| 61  | 0.10    |
| 62  | 0.25    |
| 63  | 0.25    |
| 64  | 0.25    |
| 65  | 1.00    |

United Technologies Corporation  
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**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**All Salaried Employees**

---

Effective January 1, 2011, UTC salaried employees hired after December 31, 2010 will not be eligible to participate in the pension plan and will receive an company automatic fixed contribution in the UTC savings plan instead. Newly hired hourly management represented and Puerto Rico exempt employees will continue to be eligible to participate in the Non-Rep Pension Plan.

Effective January 1, 2015, all final average earnings related benefits under the Non-Rep Plan will be frozen. Affected participants will be eligible to continue to participate in the Plan under the UTC 3%-8% Cash Balance Plan beginning January 1, 2015. This plan change will not be considered for the ERISA valuation until 2015.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
All Salaried Employees  
Cash Balance Plan**

---

1. Eligibility

- a. Eligible Employees: Salaried employees of United Technologies Corporation who were hired between June 30, 2002 and December 31, 2009 or who elected the cash balance formula during My Pension.My Choice. to be effective as of April 1, 2003 (or as of a later cash balance effective date, where applicable). Select GE Security employees are eligible to participate beginning January 1, 2011.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i), (ii), minus (iii), if applicable; plus (iv), if applicable:
- (i) Pay Credits: Upon becoming an eligible participant, pay credits accrue from the date of hire or, for participants who elected the cash balance formula during My Pension.My Choice., from the cash balance effective date. Pay credits are added to the cash balance account at the end of each month and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3%                                           |
| Age 30 to 34                     | 4%                                           |
| Age 35 to 39                     | 5%                                           |
| Age 40 to 44                     | 6%                                           |
| Age 45 to 49                     | 7%                                           |
| Age 50 and above                 | 8%                                           |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year, but not less than 3.8%. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the month of November of the prior year. Interest credits continue until the date payments begin.

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- (iii) The cash balance account of (a) certain Carrier Enterprises participants and (b) certain Otis participants will be offset by the amounts described below:
  - (a) For Carrier Enterprises participants who participate in the profit sharing plan (part of UTC Savings Plan II), the value of the post-March 31, 2003 notional profit sharing account will be offset.
  - (b) For Otis Group or Otis Local Group participants who participate in the National Elevator Industry Multi-Employer Pension Plan (NEI Pension Plan), the value of the NEI Pension Plan benefit attributable to service on or after April 1, 2003 will be offset.
- (iv) If the Participant elected the cash balance formula during My Pension.My Choice., the accrued benefit under the prior Final Average Earnings (FAE) formula, frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable), will be paid under the rules of that prior formula. In general, any prior FAE benefit is only available as an annuity commencing at age 55 or later.

b. Definitions

- (i) Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iii) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (iv) Credited Service: Continuous Service or, for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date, but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company,
  - service prior to January 1, 1985 for former Plan A participants, and
  - for layoffs occurring after December 31, 2004, any period of time following the date of layoff.
- (v) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table.

United Technologies Corporation  
Employee Retirement Plan  
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Schedule SB, Part V – Summary of Plan Provisions

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

4. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

5. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly, or else a lump sum payment option equal to the cash balance account. A participant can commence payment of the benefit on the first day of any month following termination.

6. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits, using base earnings at the date of disability, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. The cash balance account can be paid at any time, but, once paid, the pay credits and the interest credits will stop.

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: If the participant dies after becoming vested, the spouse or beneficiary will receive the full account balance if the death occurs before the cash balance payments are scheduled to begin. The spouse can elect an annuity or to defer payment to as late as when the participant would have attained age 65.

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Schedule SB, Part V – Summary of Plan Provisions

8. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump-Sum Payment

The normal form of payment is converted to an optional form under 417(e) government mandated basis.

c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Cash Balance Groups  
Pratt & Whitney Hourly Management Represented**

---

1. Eligibility

- a. Eligible Employees: Hourly management represented employees of Pratt & Whitney San Antonio Product Team, Pratt & Whitney Dallas Airfoil Repair Operations, Pratt & Whitney PSD Nordam, Pratt & Whitney Hourly Management Represented Wichita Falls and Pratt & Whitney Power Systems (Turbo Power & Marine) not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the later of:
- January 1, 1999 (San Antonio), January 1, 2001 (Dallas), January 1, 2008 (Pratt PSD Nordam), January 1, 2008 (Pratt HMR Wichita Falls)
  - date of employment

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i) and (ii):
- (i) Pay Credits: At the end of each month, pay credits are added to the cash balance account and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3.00%                                        |
| Age 30 to 34                     | 3.75%                                        |
| Age 35 to 39                     | 4.50%                                        |
| Age 40 to 44                     | 5.25%                                        |
| Age 45 to 49                     | 6.00%                                        |
| Age 50 and above                 | 7.00%                                        |

Pay credits stop accruing when the participant retires, terminates (whether by reason of discharge, layoff or otherwise) or dies.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the months of August and September of the prior year, subject to a minimum interest rate of 4.0%. Interest credits continue until the date payments begin.

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b. Definitions

- (i) Annual Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iii) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (iv) Credited Service: Continuous Service after January 1, 1999 (San Antonio) or January 1, 2001 (Dallas) or January 1 2008 (Pratt PSD Nordam and Pratt HMR Wichita Falls) but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year, and
  - service counted as Credited Service under any other defined benefit retirement plan of the company
- (v) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the months of August and September of the prior year, and the 417(e) government mandated mortality table.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits on any eligible pay received, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, at which time any pay credits and the interest credits will stop.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, or age 65.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Non-Howmet/Non-Sundstrand Divisions**

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1. Eligibility

- a. Eligible Employees: Employees of the Aerospace Group not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: The greatest of (i), (ii) or (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-78 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service} / \text{Aerospace Group continuous service}$
- (ii)  $1.5\% \text{ Final Average Earnings} \times \text{pre-78 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{Credited Service} / \text{Aerospace Group continuous service}$
- (iii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of participation in the Aerospace Group and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.

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- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Howmet Salaried Divisions**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the Howmet divisions not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Howmet prior to the sale to UTC became plan participants automatically upon the sale date of September 10, 1997.

2. Accrued Benefit

- a. Formula: For all participants, the greater of (i) or (ii), reduced at the Participant's election, by the actuarial equivalent of (iii):

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20 years)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20 years}$   
Minus  
 $1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$
- (ii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.
- (iii) A lump sum distribution of the Cash Balance Account as of September 10, 1997 with interest compounded monthly through the distribution date, at the Cash Balance Interest Crediting Rate (if not distributed upon termination of employment).

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Howmet earnings.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service):  
Prior to September 10, 1997: Continuous service as determined under the rules of the prior Howmet plan.  
On or After September 10, 1997: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or a military leave).
- (v) Credited Service: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date
- Credited Service is based on the later of the date of hire or January 1, 1996.
- (vi) Cash Balance Interest Crediting Rate: Reset annually based on:
- average of 1 year Treasury bill yields in November prior to Plan Year, plus 1%

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

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4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service\*, but before becoming eligible for early, normal or postponed retirement.
  - \* Participants active on the sale date are automatically vested in both their Cash Balance Account and UTC benefits.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement date precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service is greater than or equal to 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in section 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service accrue to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

If the participant dies before meeting the requirements of (i) above and is not married, no survivor benefits are payable. However, a lump sum benefit equal to the Cash Balance Account plus interest is due to the estate or beneficiary(s) if so elected.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Partial lump sum\*

\* Participants may withdraw their Cash Balance Account with interest at either termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum

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value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Howmet Hourly - Tulsa and Wichita Falls Divisions**

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1. Eligibility

- a. Eligible Employees: Hourly employees of the Howmet division not covered by a collective bargaining agreement at the Tulsa and Wichita Falls locations. Employees hired after December 31, 2007 at Wichita Falls are covered by the Pratt & Whitney Hourly Management Represented Cash Balance plan.
- b. Participation Requirements\*: Eligible Employees become participants on the January 1 or July 1 coincident with or following the earlier of:
- age 21 and one year of eligibility service
  - five years of eligibility service
- \* Employees who were hired at Howmet prior to the sale to UTC became plan participants automatically upon the sale date of September 10, 1997.

2. Accrued Benefit

- a. Formula for Tulsa: The sum of (i) and (ii):
- (i) \$180.00 x Howmet Credited Service (Howmet benefit)
  - (ii) \$192.00 x UTC Credited Service (UTC benefit)
- b. Formula for Wichita Falls: The sum of (i) and (ii)
- (i) \$180.00 x Howmet Credited Service (Howmet benefit)
  - (ii) Monthly benefit level from the table below based on Final Average Earnings frozen as of December 31, 2007 times months of UTC Credited Service from September 1, 1997 until December 31, 2007:

| Final Average Earnings | Monthly Benefit Level |
|------------------------|-----------------------|
| Under \$25,000         | \$22.00               |
| 25,000 - 29,999        | 23.00                 |
| 30,000 - 34,999        | 24.00                 |
| 35,000 and over        | 25.00                 |

Effective January 1, 2008, the benefit formula follows the Pratt & Whitney Hourly Management Represented Cash Balance formula.

c. Definitions

- (i) Annual Earnings: Total compensation as a participant including tax deferred contributions to the savings plan and pre-tax contributions for UTC Choice benefits, but excluding awards and reimbursements. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay rate in the first and last partial year of participation is annualized.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination.

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- (iii) Continuous Service (service): The total period of a participant's employment, including service after the Normal Retirement Date.
  - (iv) Howmet Credited Service: The period of employment calculated under the prior Howmet plan through September 10, 1997.
  - (v) UTC Credited Service: Continuous Service after September 10, 1997 but excluding:
    - a break in service which exceeds 30 days,
    - leaves of absence without compensation in excess of one year, and
    - service counted as Credited Service under any other defined benefit retirement plan of the company
3. Normal Retirement
- a. Date: First of the month following the date on which a participant attains age 65.
  - b. Benefit: The accrued benefit at retirement payable monthly.
4. Early Retirement
- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
  - b. Benefit: The accrued benefit at retirement payable monthly reduced as follows:
    - (i) For Howmet benefit: The accrued benefit at retirement payable monthly reduced 3% per year for each year the benefit commencement date precedes the Normal Retirement Date.
    - (ii) For UTC benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.
5. Postponed Retirement
- a. Date: First of the month following retirement after the Normal Retirement Date.
  - b. Benefit: The accrued benefit at retirement payable monthly.
6. Vested Termination
- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
  - b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55. The benefit is reduced as follows:
    - (i) For Howmet benefit: The accrued benefit at termination payable monthly reduced 3% per year for each year the benefit commencement date precedes the Normal Retirement Date.
    - (ii) For UTC benefit: The accrued benefit at termination payable monthly reduced 5% per year for each year the benefit commencement date precedes the Normal

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Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. The accrued benefit is determined using the benefit multiplier in effect as of the disability onset date as determined by the Social Security Administration. Service and Credited Service continue up to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 55.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable. Payment of the UTC benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

The Howmet benefit is available to the spouse immediately, payable anytime on or after the first of the month following the month in which the participant dies. The Howmet benefit is reduced 3% per year from age 65 to age 55 and 2% per year under age 55. The lump sum option is available on this portion of the benefit.

- (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable. Payment of the UTC benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

The Howmet benefit is available to the spouse immediately, payable anytime on or after the first of the month following the month in which the participant dies. The Howmet benefit is reduced 3% per year from age 65 to age 55 and 2% per year under age 55. The lump sum option is available on this portion of the benefit.

If the participant dies before meeting the requirements of (i) above and is not married, no survivor benefits are payable. However, a lump sum benefit equal to 85% of the actuarial equivalent of the Howmet benefit calculated at the date of death is due to the estate.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity\*
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity\*
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Partial lump sum\*\*

\* 10 year certain and continuous annuity and 66-2/3% contingent annuity are only available on the UTC benefit.

\*\* Partial lump sum is available only on the Howmet benefit.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
PSD Nordam Hourly**

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1. Eligibility

- a. Eligible Employees: Hourly employees of the Nordam division not covered by a collective bargaining agreement. Employees hired after December 31, 2007 at PSD Nordam are covered by the Pratt & Whitney Hourly Management Represented Cash Balance Plan.
- b. Participation Requirements\*: Eligible Employees become participants on the January 1 or July 1 coincident with or following the earlier of:
  - age 21 and one year of eligibility service
  - five years of eligibility service

\* Employees who were hired at Nordam prior to the sale to UTC became plan participants automatically upon the sale date of April 1, 1996.

2. Accrued Benefit

- a. Formula:  $\$252.00 \times \text{Credited Service until December 31, 2007}$ . Effective January 1, 2008 the benefit formula follows the Pratt & Whitney Hourly Management Represented Cash Balance formula
- b. Definitions
  - (i) Continuous Service (service): The total period of a participant's employment, including service after the Normal Retirement Date.
  - (ii) Credited Service: Continuous Service after April 1, 1996 but excluding:
    - a break in service which exceeds 30 days,
    - leaves of absence without compensation in excess of one year, and
    - service counted as Credited Service under any other defined benefit retirement plan of the company

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.

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- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. The accrued benefit is determined using the benefit multiplier in effect as of the disability onset date as determined by the Social Security Administration. Service and Credited Service continue up to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable. Payment of the benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable. Payment of the benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Hamilton Sundstrand Puerto Rico Exempt**

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1. Eligibility

- a. Eligible Employees: Puerto Rico Exempt employees, not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the later of:
  - date of employment
  - May 9, 1992

2. Accrued Benefit

- a. Formula: the greater of (i) or (ii)
  - (i) Career Accumulation Method (CAM)\*: The sum of (a) and (b):
    - (a) the greater of 2% of Annual Earnings (contributory years only) or \$180
    - (b) \$180 (noncontributory years only)

\* a 2% increase is applied to the final accrued benefit under (i)
  - (ii) Final Average Compensation Method (FAC): The sum of (a) and (b):
    - (a) Graded benefit level of \$300 for Final Average Earnings under \$27,750 to \$366 for Final Average Earnings of \$34,050 and over x Credited Service (contributory years only)
    - (b) \$156 x Credited Service (noncontributory years only)
- b. Definitions
  - (i) Annual Earnings: Total compensation as a participant including overtime, bonuses, pre-tax contributions and certain commissions. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
  - (ii) Final Average Earnings: The average Annual Earnings for the highest three plan years in the last ten plan years before termination. Calendar years with zero earnings are excluded.
  - (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
  - (iv) Continuous Service (service): Assumed to be the same as Credited Service.
  - (v) Credited Service: Elapsed, with fractional years prorated based on 365 days.
  - (vi) Voluntary Employee Contributions: 1.5% of Annual Earnings, where employee can elect to contribute or not to contribute.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65 and completes 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of the earlier of age 60 and the completion of 10 years of service or the attainment of age 58 and the completion of 30 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced as follows:
  - (i) if less than 30 years of service, the accrued benefit at retirement is the greater of the benefit described in 2.a.(i) above payable monthly reduced 4% per year for each year benefit commencement precedes age 65, or the accrued benefit at retirement described in 2.a.(ii) above, unreduced.
  - (ii) if 30 or more years of service and under age 60, the accrued benefit at retirement described in 2.a. above payable monthly reduced 3% per year for each year benefit commencement precedes age 60.
- c. Early Retirement Supplement:
  - (i) Eligibility: Retire before age 62
  - (ii) Benefit: \$132 x Credited Service, payable until the earlier of age 62 or death.
- d. Special Early Retirement Supplement:
  - (i) Eligibility: Retire between ages 58 and 60 with at least 30 years of service, or retire between ages 60 and 62 with at least 25 years of service.
  - (ii) Benefit: \$1,200 per year payable to age 60 and \$2,400 per year payable from age 60 to age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit as described in 4.a. above, with the benefit reduced 6% for each year the benefit commencement date precedes the Normal Retirement Date.

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit or completing 25 years of service or attaining age 50 with 15 years of service, a 55% contingent annuity benefit is payable and payment commences immediately, reduced based on age and service of participant, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) above, a 55% spouse's benefit is payable, and payment commences when the participant would have attained age 65.

8. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 55% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 100% contingent annuity
  - (iii) 75% contingent annuity
  - (iv) 55% contingent annuity
  - (v) 50% contingent annuity
  - (vi) Life annuity for married participants
  - (vii) Lump sum

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Hamilton Sundstrand Aerospace Divisions**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the Sundstrand Aerospace divisions, not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Sundstrand Aerospace prior to the sale to UTC became plan participants automatically upon January 1, 2000.

2. Accrued Benefit

a. Formula:

The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20 years)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20 years}$

Minus

$1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$

- (ii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

- (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 1999 under the Sundstrand Aerospace plan provisions multiplied by the Special UTC Final Average Earnings divided by Sundstrand Final Average Earnings as of December 31, 1999.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average Annual Earnings for the highest three consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iv) Sundstrand Final Average Earnings: The average annual earnings for the three plan years 1997, 1998 and 1999. Annual earnings is based on the Sullair definition as described under the prior Sundstrand Plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):  
Prior to January 1, 2000: Continuous service as determined under the rules of the prior Sundstrand Aerospace plan.  
On or After January 1, 2000: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or a military leave).
- (vii) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

Credited Service is based on the later of the date of hire or January 1, 2000.

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Aerospace plan.
- c. Special Age 65 Benefits: Only participants who were eligible to retire on January 1, 2000, and were hired prior to January 1, 1992. If the participant retires after age 55 and completing 5 years of service, \$9.70 per month payable at age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement date precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Aerospace plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service is greater than or equal to 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in section 4.b. above. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Aerospace plan.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service accrue to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit

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commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Partial lump sum\*

\* Participants may elect to receive a lump sum payment for the Pre-92 Sundstrand portion of their benefit, at termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Plan A Hourly**

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1. Eligibility

- a. Eligible Employees: Hourly employees of the company located at the Pratt & Whitney, Columbus, Georgia location and Pratt & Whitney ORCS.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of service

2. Accrued Benefit

- a. Formula: Monthly benefit level from the table below based on Final Average Earnings times months of Credited Service:

| Final Average Earnings | Monthly Benefit Level |
|------------------------|-----------------------|
| Under \$27,000         | \$28.00               |
| 27,000 - 28,999        | 30.00                 |
| 29,000 - 30,999        | 32.00                 |
| 31,000 - 32,999        | 34.00                 |
| 33,000 – 34,999        | 35.00                 |
| 35,000 – 36,999        | 36.00                 |
| 37,000 and over        | 37.00                 |

b. Definitions

- (i) Annual Earnings: Total compensation as a participant including tax deferred contributions to the savings plan and pre-tax contributions for UTC Choice benefits, but excluding awards and reimbursements. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay rate in the first and last partial year of participation is annualized.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
- (v) Credited Service: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year, and
  - service counted as Credited Service under any other defined benefit retirement plan of the company.

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between age 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4b above.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and receiving Social Security disability benefits.
- b. Benefit: The accrued benefit at disability payable monthly commencing on the first of the month following one year of disability and continuing during the participant's lifetime until the earliest of:
  - (i) the date Social Security disability benefits cease
  - (ii) the date early retirement benefits commence
  - (iii) the Normal Retirement Date

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies prior to receiving an early, normal or postponed retirement benefit, the following benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Plan A Salaried**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the company at Sikorsky Support Services, Inc. – Troy not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of service

2. Accrued Benefit

- a. Formula: the greater of (i) or (ii):

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i) 1.5% Final Average Earnings x Credited Service

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

- (a) 1.5% Primary Social Security benefit x Credited Service (max 33-1/3)
- (b) 50% Primary Social Security benefit x Credited Service/continuous service

- (ii) \$240 x Credited Service

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 and 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company,
  - service prior to January 1, 1985, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The greater of (i), (ii) or (iii)
  - (i) The accrued benefit at retirement described in 2.a.(i)(a) above payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.
  - (ii) The accrued benefit at retirement described in 2.a.(i)(b) above payable monthly reduced 3.6% per year for each year benefit commencement precedes age 65. The benefit is unreduced if the participant retires on or after the attainment of age 65.
  - (iii) The accrued benefit at retirement described in 2.a.(ii) above payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

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8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).
- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis. An optional lump sum is available on amounts up to \$10,000.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Schweizer Aircraft**

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1. Eligibility

- a. Eligible Employees: Salaried employees of Schweizer Aircraft not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service
  - \* Employees who were hired at Schweizer Aircraft prior to the sale to UTC became plan participants automatically upon February 1, 2005.

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i) , (ii), plus (iii), if applicable:
- (i) Pay Credits: Upon becoming an eligible participant, pay credits accrue from the date of hire or, February 1, 2005 for participants at that date. Pay credits are added to the cash balance account at the end of each month and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3%                                           |
| Age 30 to 34                     | 4%                                           |
| Age 35 to 39                     | 5%                                           |
| Age 40 to 44                     | 6%                                           |
| Age 45 to 49                     | 7%                                           |
| Age 50 and above                 | 8%                                           |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the month of November of the prior year. Interest credits continue until the date payments begin.
- (iii) For participants hired prior to sale date:
- Benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Special UTC Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002.

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b. Definitions

- (i) Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Schweizer Aircraft earnings. Calendar years with zero earnings and calendar years 2003 and 2004 are excluded.
- (iii) Schweizer Aircraft Final Average Earnings: The average annual earnings for the five plan years 1998, 1999, 2000, 2001 and 2002. Annual earnings are based on the Schweizer Aircraft definition as described under the prior Schweizer Aircraft Pension Plan.
- (iv) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (v) Continuous Service (service):  
Prior to February 1, 2005: Continuous service is equal to credited service earned under the prior Schweizer Aircraft Pension Plan.  
On or after February 1, 2005: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for child care leave, or if re-employed, two years for a layoff or a military leave).
- (vi) Credited Service on or after February 1, 2005: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for layoffs occurring after December 31, 2004, any period of time following the date of layoff.
- Credited Service is based on the later of the date of hire or February 1, 2005.
- (vii) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of, but before Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002. This benefit will be reduced 4% per year prior to age 65 commencement. However, this benefit may be unreduced if the commencement is between age 63 ½ and age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly, or else a lump sum payment option equal to the cash balance account. A participant can commence payment of the benefit on the first day of any month following termination.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002. If this benefit commences prior to age 65, it will be reduced 4% per year prior to age 65.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits, using base earnings at the date of disability, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. The cash balance account can be paid at any time, but, once paid, the pay credits and the interest credits will stop.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: If the participant dies after becoming vested, the spouse or beneficiary will receive the full account balance if the death occurs before the cash balance payments are scheduled to begin. The spouse can elect an annuity or to defer payment to as late as when the participant would have attained age 65.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002, payable as a 50% contingent annuity, as early as the participant's earliest retirement date.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump-Sum Payment

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Kidde Aerospace Grandfathered Benefits**

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1. Eligibility

- a. Eligible Employees: Salaried employees of Kidde Aerospace, not covered by a collective bargaining agreement, who were transferred to UTC from Kidde as of December 1, 2005
- b. Participation Requirements:
- Effective January 1, 2002, plan participation in the former Kidde pension plan was frozen. Participants must have attained age 40, earned five years of vesting service and the sum of their age and service must have equaled or exceeded 55 in order to continue accruing any benefits. Participants who chose to participate in the defined contribution plan or did not meet the previous requirements had their benefits frozen at that time.
- Effective January 1, 2006, non-grandfathered employees of Kidde Aerospace participate under the Cash Balance formula applicable for UTC salaried employees.

2. Accrued Benefit

- a. Formula: Benefits are accrued under the former Kidde pension plan provisions. Benefit is (i) plus (ii) for all participants, except Santa Barbara Dual Spectrum who were making voluntary employee contributions to the Hughes plan as of December 7, 1995. For those participants, see (iii).
- (i)  $[1.0\% \text{ Final Average Earnings} \times \text{Credited Service} + 0.65\% \text{ Final Average Earnings in excess of Covered Compensation}] \times \text{lesser of Projected Credited Service and 25 years} \times [(\text{Credited Service from January 1, 2002}) / \text{Projected Credited Service}]$ .
- Projected Credited Service can extend beyond December 31, 2014, and begins on December 1, 1989.
- (ii) Prior plan benefit accrued as of December 31, 2001, calculated under the prior plan formula(s), will be determined and paid under the rules of that prior formula.
- (iii) The greater of (a), (b) and (c).
- (a) Career Average Benefit – 1% of each year's earnings up to \$3,600 + 2% of the excess of each year's earnings over \$3,600 [plus 1/24 of 12/31/1985 contributions.]
- (b) Minimum Benefit - \$156 x Credited Service + 0.50% Final Average Earnings x Credited Service
- (c) Final Average Earnings Benefit – 1.75% Final Average Earnings x Credited Service minus 1.50% of age 65 Social Security benefit x Projected Credited Service (limited to 33.33) x ratio of Credited Service at date of termination over Credited Service projected at Normal Retirement Date.

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b. Definitions

- (i) Earnings: Total of all compensation paid to the employee as reported on IRS Form W-2 including salary deferrals but excluding severance payments. Earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Final Average Earnings: Average Earnings for the highest 60 consecutive months out of the last 120 months of employment
- (iii) Covered Compensation: Monthly average of the Taxable Wage Bases in effect for each calendar year during the 35 year period ending with the calendar year in which the participant attains Social Security Retirement age
- (iv) Continuous Service (vesting service): Years and months of continuous employment from the later of date of hire or date company became a participating company
- (v) Credited Service: Continuous Service

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date
- b. Benefit: The accrued benefit at retirement payable monthly

6. Vested Termination

- a. Eligibility: Termination of employment, but before becoming eligible for normal or postponed retirement. (All participants became 100% vested on January 1, 2002.)
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing five years of service and, either qualified to receive Social Security disability benefits or entitled to receive disability benefits under the company's LTD program.
- b. Benefit: The benefit will continue to accrue during disability at the most recent rate of pay prior to disablement.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit:
  - (i) If the participant dies and is married after becoming eligible for an early, normal or postponed retirement benefit, a 50% spouse's benefit is payable. Payment may commence at any time prior to when the participant would have attained age 65, reduced as described in 4.b above.
  - (ii) If the participant dies after becoming vested and is married but does not meet the requirements of (i), a 50% spouse's benefit is payable. Payment may commence no earlier than when the participant would have attained age 55, reduced as in 6.b above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66 2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

Optional Forms for Dual Spectrum participants:

- (i) Partial lump sum, single life annuity
- (ii) 100% contingent annuity
- (iii) 75% contingent annuity
- (iv) 66 2/3% contingent annuity
- (v) 50% contingent annuity
- (vi) 5, 10, or 15 year certain and life annuity
- (vii) 5, 10, or 15 year certain period
- (viii) 5, 10, or 15 year temporary benefit
- (ix) Social Security Level income option

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum

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value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**Carrier A**  
**Carrier and Electronic Controls Divisions**

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1. Eligibility

- a. Eligible Employees: Employees of the Carrier Group and the Electronic Controls Group (Control Systems) not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Carrier Formula: The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $1.3\% \text{ Final Average Earnings} \times \text{pre-91 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-90 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-90 Credited Service in excess of 20}$   
Minus (a) + (b) or, (c) if less
  - (a)  $30\%/35 \times \text{Primary Social Security benefit} \times \text{Social Security early retirement factor at greater of age 62 or actual age} \times \text{pre-91 Credited Service (max 35)}$
  - (b)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-90 Credited Service}$
  - (c)  $50\% \text{ Primary Social Security benefit}$
- (ii)  $\$156 \times \text{Credited Service}$

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

- b. Electronic Controls Formula: The greater of (i) or (ii):

- (i)  $\text{Pre-74 Benefit} + 1.5\% \text{ Final Average Earnings} \times \text{Credited Service from 1974 to 1990} + 2\% \text{ Final Average Earnings} \times \text{post-90 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-90 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-73 Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-73 Credited Service/continuous}$

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service

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(ii) **Pre-74 Benefit + \$156 x post-73 Credited Service**

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

c. **Definitions**

- (i) **Annual Earnings**: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) **Final Average Earnings**: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) **Maximum Benefit**: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) **Continuous Service (service)**: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) **Credited Service**: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: For Carrier Group, first of the month coincident with or following the date on which a participant attains age 65. For Electronic Controls Group, first of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit:
  - (i) For Carrier Group, the accrued benefit at retirement as described in 2.a. above payable monthly reduced 2.4% per year for each year benefit commencement precedes the earlier of:
    - age 62
    - age at which the sum of age, service and pre-92 service (max 20) equals 100

The benefit is unreduced if the participant retires on or after the attainment of age 62.

- (ii) For Electronic Controls Group, the greatest of (a), (b) or (c)
  - (a) The accrued benefit at retirement described in 2.b.(i)(a) above payable monthly reduced 2.4% per year for each year benefit commencement precedes the earlier of :
    - age 62
    - age at which the sum of age, service and pre-92 service (max 20) equals 100The benefit is unreduced if the participant retires on or after the attainment of age 62.
  - (b) The accrued benefit at retirement described in 2.b.(i)(b) above payable monthly reduced 3.6% per year for each year benefit commencement precedes age 65. The benefit is unreduced if the participant retires on or after the attainment of age 65.
  - (c) The accrued benefit at retirement described in 2.b.(ii) above payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants. If the spouse is the beneficiary of a Carrier Group participant, 25% of the cost of any joint and survivor annuity is subsidized by the company unless the participant's benefit is payable under 6.b. above.

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**Carrier A**  
**Carrier Enterprises Divisions**

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1. Eligibility

- a. Eligible Employees: Employees of the Carrier Enterprises divisions not covered by a collective bargaining agreement, who were participants before January 1, 2001 and who attained age 40 or had 5 years of Continuous Service. Transfers from other UTC divisions are eligible for the plan if they transfer into a Carrier Enterprises division prior to December 31, 2005 and meet the age or service eligibility requirements at the time of transfer.
- b. Participation Requirements: Eligible Employees became participants on January 1, 2001 (or as of date of transfer, if later).

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii), minus (iii)\* below:  
For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).
  - (i) 1.3% Final Average Earnings x pre-91 Credited Service + 2% Final Average Earnings x post-90 Credited Service (max 20) + 1% Final Average Earnings x post-90 Credited Service in excess of 20  
Minus (a) + (b) or, (c) if less
    - (a) 30%/35 x Primary Social Security benefit x Social Security early retirement factor at greater of age 62 or actual age x pre-91 Credited Service (max 35)
    - (b) 1.5% Primary Social Security benefit x post-90 Credited Service
    - (c) 50% Primary Social Security benefit
  - (ii) \$156 x Credited Service
  - (iii) Annuitized Notional Account Offset
- \* The Annuitized Notional Account Offset is only applied to the portion of the benefit attributable to service beginning as of January 1, 2001 (or date of transfer into the plan, if later).  
For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date
- (vi) Notional Account: The sum of (a) and (b)
  - (a) Annual credits equal to 6% of a participant's pensionable earnings for the previous year. This amount is added to the accumulated account value in the first quarter of each plan year. The annual credit may be periodically changed by UTC to a different percentage credit between 3% and 6%.
  - (b) 7.50% annual compound interest credited on the beginning of year account balance at December 31.

The January 1, 2001 Notional Account balance is zero. The initial credit to the account will be made during the first quarter of 2002.
- (vii) Annuitization Basis (to convert Notional Account to life annuity payable beginning at Normal Retirement): 7.50% interest and 1994 Group Annuity Mortality (Unisex); no mortality is assumed prior to Normal Retirement.

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3. Normal Retirement

- a. Date: First of the month coincident with or following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement as described in 2. above payable monthly reduced 2.4% per year for each year benefit commencement precedes the earlier of age 62 or age at which the sum of age, service and pre-92 service (max 20) equals 100. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).
- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**Carrier A**  
**International Comfort Products (ICP) Division**

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1. Eligibility

- a. Eligible Employees: Employees of the Carrier ICP division not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Carrier ICP prior to the sale to UTC became plan participants automatically upon January 1, 2001.

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20}$

Minus

$1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33 1/3)}$

- (ii)  $\$156 \times \text{Credited Service}$

- (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 2000 under the ICP plan provisions multiplied by the Special UTC Final Average Earnings divided by ICP Final Average Earnings as of December 31, 2000.

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale ICP earnings. Calendar year with zero earnings are excluded.
- (iv) ICP Final Average Earnings: The average of annual earnings for the five plan years from 1996 through 2000. Annual earnings is based on the definition as described under the prior ICP plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):  
Prior to January 1, 2001: Continuous service as determined under the rules of the prior ICP plan.  
On or after January 1, 2001: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (vii) Credited Service: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

Credited Service is based on the later of date of hire or January 1, 2001.

3. Normal Retirement

- a. Date: First of the month coincident with or following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2001. The portion of the benefit accrued to December 31, 2000 is reduced according to the provisions of the ICP plan.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2001. The portion of the benefit accrued to December 31, 2000 is reduced according to the provisions of the ICP plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above. The portion of the benefit accrued to December 31, 2000 is reduced according to the provisions of the ICP plan.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
    - (i) Life annuity for unmarried participants
    - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
  - b. Optional Forms:
    - (i) 5 year certain and continuous annuity
    - (ii) 10 year certain and continuous annuity
    - (iii) 100% contingent annuity
    - (iv) 75% contingent annuity
    - (v) 66-2/3% contingent annuity
    - (vi) 50% contingent annuity
    - (vii) Life annuity for married participants
    - (viii) Partial lump sum\*
- \* Participants may elect to receive a lump sum payment for the ICP portion of their benefit, at termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Carrier Specialty Equipment Companies (SEC)  
SEC – Salaried Divisions**

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1. Eligibility

- a. Eligible Employees: All salaried employees (including office non-exempt employees) of the Specialty Equipment Companies not covered by a collective bargaining agreement who were hired on or before June 30, 2002
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Carrier SEC prior to the sale to UTC became plan participants automatically upon January 1, 2002.

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i) 1.5% Final Average Earnings x Credited Service

Minus

1.5% Primary Social Security benefit x Credited Service (max 33⅓)

- (ii) \$156 x Credited Service

- (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 2001 under the SEC plan provisions multiplied by the Special UTC Final Average Earnings divided by SEC Final Average Earnings as of December 31, 2001.

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale SEC earnings. Calendar year with zero earnings are excluded.
- (iv) SEC Final Average Earnings: The average of annual earnings for the highest five non-consecutive years out of the last 15 calendar years of earnings ending with the year 2001. Annual earnings is based on the definition as described under the prior SEC plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):  
Prior to January 1, 2002: Continuous service as determined under the rules of the prior SEC plan.  
On or after January 1, 2002: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (vii) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

Credited Service is based on the later of date of hire or January 1, 2002.

3. Normal Retirement

- a. Date: First of the month coincident with or following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2002. The portion of the benefit accrued to December 31, 2001 is reduced according to the provisions of the SEC plan.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2002. The portion of the benefit accrued to December 31, 2001 is reduced according to the provisions of the SEC plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above. The portion of the benefit accrued to December 31, 2001 is reduced according to the provisions of the SEC plan.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Optional lump sum on the accrued benefit as of Feb. 1, 1996 (available to Beverage Air salaried employees)

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).
- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Carrier Specialty Equipment Companies (SEC)  
SEC - Beverage-Air**

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1. Eligibility

- a. Eligible Employees: Hourly management represented employees of the Beverage-Air division not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the first of the month following their date of hire.

2. Accrued Benefit

- a. Formula: \$168.00 x Credited Service
- b. Definitions
  - (i) Continuous Service (service): The total period of a participant's employment, including only calendar years in which the participant completes at least 1,000 hours of service, and including service after the Normal Retirement Date.
  - (ii) Credited Service: Service credits are granted according to the following schedule:

| <u>Hours of Service<br/>During Calendar Year</u> | <u>Fractional Year of<br/>Credited Service Earned</u> |
|--------------------------------------------------|-------------------------------------------------------|
| Less than 180                                    | 0                                                     |
| 180 – 359                                        | .1                                                    |
| 360 – 539                                        | .2                                                    |
| 540 – 719                                        | .3                                                    |
| 720 – 899                                        | .4                                                    |
| 900 – 999                                        | .5                                                    |
| 1,000 – 1,199                                    | .6                                                    |
| 1,200 – 1,399                                    | .7                                                    |
| 1,400 – 1,599                                    | .8                                                    |
| 1,600 – 1,799                                    | .9                                                    |
| 1,800 or more                                    | 1.0                                                   |

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65 and completes 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 3 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 6.0% per year for each of the first five years the benefit commencement precedes age 65, and 4.8% per year for each year the benefit commencement precedes age 60.

United Technologies Corporation  
Employee Retirement Plan  
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Schedule SB, Part V – Summary of Plan Provisions

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced as in 4.b. above.

7. Disability Benefit

- a. Eligibility: Totally and permanently disabled after completing five years of service.
- b. Benefit: The accrued benefit at disability reduced according to the following table for commencement prior to the Normal Retirement Date:

| <u>Age on Commencement Date</u> | <u>Percentage Reduction</u>                                             |
|---------------------------------|-------------------------------------------------------------------------|
| On or after ages 60 to 65       | 6.0% per year for each year the commencement date precedes 65           |
| On or after ages 55 to 60       | 30%, plus 4.8% per year for each year the commencement date precedes 60 |
| On or after ages 50 to 55       | 54%, plus 3.6% per year for each year the commencement date precedes 55 |
| On or after ages 45 to 50       | 72%, plus 2.4% per year for each year the commencement date precedes 50 |
| On or after ages 40 to 45       | 84%, plus 1.2% per year for each year the commencement date precedes 45 |
| Before age 40                   | 90%                                                                     |

The benefit is payable for life until the participant ceases to be disabled.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable.
- b. Benefit: A 50% spouse's benefit is payable, and payment commences when the participant would have attained age 65, or age 55, but reduced as described in 4.b. above.

United Technologies Corporation  
Employee Retirement Plan  
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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 15 year certain and continuous annuity
- (iv) 100% contingent annuity
- (v) 75% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump sum

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Carrier Specialty Equipment Companies (SEC)  
SEC – Taylor Company and World Dryer**

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1. Eligibility

- a. Eligible Employees: Hourly management represented employees of the Taylor Company and World Dryer divisions not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the first of the month following their date of hire.

2. Accrued Benefit

a. Formula:

- (i) Taylor Company: Benefit level (effective July 1, 2011) from the table below times years of Credited Service:

| <u>Years of Credited Service</u> | <u>Annual Benefit Amount*</u> |
|----------------------------------|-------------------------------|
| 1 – 10                           | \$ 330.00                     |
| 10 – 20                          | 360.00                        |
| Over 20                          | 384.00                        |

\* The benefit levels will increase to:

\$354/384/408 on July 1, 2012

\$378/408/432 on July 1, 2013

The future levels are not considered for the 2011 ERISA valuation.

- (ii) World Dryer: Benefit level from the table below times years of Credited Service:

| <u>Period of Credited Service*</u> | <u>Annual Benefit Amount</u> |
|------------------------------------|------------------------------|
| Prior to January 1, 1985           | \$ 36.00                     |
| After January 1, 1985              | 156.00                       |

\* Combined service maximum of 40 years

b. Definitions

- (i) Continuous Service (service): The total period of a participant's employment, including only calendar years in which the participant completes at least 1,000 hours of service, and including service after the Normal Retirement Date.
- (ii) Credited Service: Service credits are granted according to the following schedule:

| <u>Hours of Service<br/>During Calendar Year</u> | <u>Fractional Year of<br/>Credited Service Earned</u> |
|--------------------------------------------------|-------------------------------------------------------|
| Less than 1,000                                  | 0.0000                                                |
| 1,000 – 1,124                                    | 0.5833                                                |
| 1,125 – 1,274                                    | 0.6667                                                |
| 1,275 – 1,424                                    | 0.7500                                                |
| 1,425 – 1,574                                    | 0.8333                                                |
| 1,575 – 1,724                                    | 0.9167                                                |
| 1,725 or more                                    | 1.0000                                                |

United Technologies Corporation  
Employee Retirement Plan  
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Schedule SB, Part V – Summary of Plan Provisions

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65 and completes 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 3 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 6% per year for each year the benefit commencement precedes age 65. For the Taylor Company only, the benefit is unreduced if the participant retires on or after the completion of 20 years of service and the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 6% per year for each year the benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Totally and permanently disabled after the attainment of age 45 and the completion of 15 years of service.
- b. Benefit: The greater of the accrued benefit at disability or \$600 a year. The benefit payable for life or until the participant ceases to be disabled. The benefit is not reduced for early payment.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable.
- b. Benefit:
  - (i) A 50% spouse's benefit is payable, and payment commences when the participant would have attained age 65, or age 55, but reduced as described in 6.b. above (4.b. above if eligible for early retirement).

United Technologies Corporation  
Employee Retirement Plan  
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Schedule SB, Part V – Summary of Plan Provisions

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 10 year certain and continuous annuity
- (ii) 100% contingent annuity
- (iii) 75% contingent annuity
- (iv) 66-2/3% contingent annuity
- (v) 50% contingent annuity
- (vi) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Fire & Security  
Onity**

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1. Eligibility

- a. Eligible Employees: Salaried employees of United Technologies Corporation - Fire & Security who were covered under the Onity, Inc. Pension Plan or were hired after November 1, 2004.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service
  - Employees who were hired at Onity prior to the sale to UTC became plan participants automatically upon November 1, 2004.

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i) and (ii), plus (iii), if applicable:
- (i) Pay Credits: Upon becoming an eligible participant, pay credits accrue from the later of date of hire or January, 1 2005. Pay credits are added to the cash balance account at the end of each month and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3%                                           |
| Age 30 to 34                     | 4%                                           |
| Age 35 to 39                     | 5%                                           |
| Age 40 to 44                     | 6%                                           |
| Age 45 to 49                     | 7%                                           |
| Age 50 and above                 | 8%                                           |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the month of November of the prior year. Interest credits continue until the date payments begin.
- (iii) Prior Plan Frozen Benefit: The frozen benefit accrued as of December 31, 2004 under the Onity, Inc. Pension Plan.

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

b. Definitions

- (i) Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iii) Continuous Service (service):  
Prior to November 1, 2004: Continuous service is equal to credited service earned under the prior Onity, Inc. Pension Plan  
On or after November 1, 2004: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (iv) Credited Service: Continuous Service, but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for layoffs occurring after December 31, 2004, any period of time following the date of layoff.
- (v) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan. This benefit will be reduced 6% per year prior to age 65 commencement.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly, or else a lump sum payment option equal to the cash balance account. A participant can commence payment of the benefit on the first day of any month following termination.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits, using base earnings at the date of disability, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. The cash balance account can be paid at any time, but, once paid, the pay credits and the interest credits will stop.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan, payable under the early or normal retirement provisions of the Onity, Inc. Pension Plan, provided the participant has commenced their cash balance.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: If the participant dies after becoming vested, the spouse or beneficiary will receive the full account balance if the death occurs before the cash balance payments are scheduled to begin. The spouse can elect an annuity or to defer payment to as late as when the participant would have attained age 65.  
Former Onity participants will also receive their benefit accrued as of December 1, 2004, under the Onity, Inc. Pension Plan provisions, payable as a 50% contingent annuity, as early as the participant's earliest retirement date.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump-Sum Payment

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Fire & Security  
World Headquarters**

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1. Eligibility

- a. Eligible Employees: Employees of the Chubb World Headquarters not covered by a collective bargaining agreement who were hired on or before June 30, 2002 in United Technologies Corporation.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit (a, b, or c)

- a. Formula (Aerospace Group): The greatest of (i), (ii) or (iii) below:

For employees who elected the cash balance formula during My Pension My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-78 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service} / \text{Aerospace Group continuous service}$
- (ii)  $1.5\% \text{ Final Average Earnings} \times \text{pre-78 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{Credited Service} / \text{Aerospace Group continuous service}$
- (iii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of participation in the Aerospace Group and end at the date of termination.

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b. Formula (Carrier A): : The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $1.3\% \text{ Final Average Earnings} \times \text{pre-91 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-90 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-90 Credited Service in excess of 20}$

Minus (a) + (b) or, (c) if less

- (a)  $30\%/35 \times \text{Primary Social Security benefit} \times \text{Social Security early retirement factor at greater of age 62 or actual age} \times \text{pre-91 Credited Service (max 35)}$

- (b)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-90 Credited Service}$

- (c)  $50\% \text{ Primary Social Security benefit}$

- (ii)  $\$156 \times \text{Credited Service}$

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

c. Formula (Otis Salaried): The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-80 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-79 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-79 Credited Service in excess of 20}$

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

- (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service (max } 33\text{-}1/3\text{)}$

- (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service} / \text{continuous service}$

- (ii)  $\$312 \times \text{Credited Service}$

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

d. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Fire & Security  
Kidde Commercial Grandfathered**

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1. Eligibility

- a. Eligible Employees: Salaried employees of Kidde Commercial, not covered by a collective bargaining agreement, who were transferred to UTC from Kidde as of December 1, 2005

b. Participation Requirements:

Effective January 1, 2002, plan participation in the former Kidde pension plan was frozen. Participants must have attained age 40, earned five years of vesting service and the sum of their age and service must have equaled or exceeded 55 in order to continue accruing any benefits. Participants who chose to participate in the defined contribution plan or did not meet the previous requirements had their benefits frozen at that time.

Non-grandfathered employees are not eligible for pension benefits under this plan.

2. Accrued Benefit

- a. Formula: Benefits are accrued under the former Kidde pension plan provisions. Benefit is (i) plus (ii) for all participants, except Badger Hourly. For those participants, see (iii).

- (i)  $[1.0\% \text{ Final Average Earnings} \times \text{Credited Service} + 0.65\% \text{ Final Average Earnings in excess of Covered Compensation}] \times \text{lesser of Projected Credited Service and 25 years} \times [(\text{Credited Service from January 1, 2002}) / \text{Projected Credited Service}]$ .

Projected Credited Service can extend beyond December 31, 2014, and begins on December 1, 1989.

- (ii) Prior plan benefit accrued as of December 31, 2001, calculated under the prior plan formula(s), will be determined and paid under the rules of that prior formula.
- (iii)  $\$126 \times \text{Credited Service}$

b. Definitions

- (i) Earnings: Total of all compensation paid to the employee as reported on IRS Form W-2 including salary deferrals but excluding severance payments. Earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Final Average Earnings: Average Earnings for the highest 60 consecutive months out of the last 120 months of employment
- (iii) Covered Compensation: Monthly average of the Taxable Wage Bases in effect for each calendar year during the 35 year period ending with the calendar year in which the participant attains Social Security Retirement age
- (iv) Continuous Service (vesting service): Years and months of continuous employment from the later of date of hire or date company became a participating company

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(v) Credited Service: Continuous Service

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before Normal Retirement Date. For Badger Hourly participants, first of the month following retirement after the attainment of age 60 and the completion of 15 years of service, but before Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes age 65. For Badger Hourly participants, the accrued benefit at retirement payable monthly reduced 7.2% per year for each year benefit commencement precedes age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date
- b. Benefit: The accrued benefit at retirement payable monthly

6. Vested Termination

- a. Eligibility: Termination of employment, but before becoming eligible for normal or postponed retirement. (All participants became 100% vested on January 1, 2002.)
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing five years of service and, either qualified to receive Social Security disability benefits or entitled to receive disability benefits under the company's LTD program.
- b. Benefit: The benefit will continue to accrue during disability at the most recent rate of pay prior to disablement.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: 50% of the monthly pension benefit as of the date of death, reduced for the joint and survivor election and reduced for payment as early as the participant's early retirement date.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity (this option is not available to Ranson Hourly employees)
- (iii) 15 year certain and continuous annuity (available to Ranson Hourly employees only)
- (iv) 20 year certain and continuous annuity (available to Ranson Hourly employees only)
- (v) 100% contingent annuity
- (vi) 75% contingent annuity
- (vii) 66 2/3% contingent annuity
- (viii) 50% contingent annuity
- (ix) Life annuity for married participants
- (x) Pre-1996 benefit is optional as a lump sum (available to Angus employees only)

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Hamilton Sundstrand Commercial**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the Sundstrand Industrial divisions, not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service
- \* Employees who were hired at Sundstrand Industrial prior to the sale to UTC became plan participants automatically upon January 1, 2000.

2. Accrued Benefit

a. Formula:

The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20 years)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20 years}$

Minus

$1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$

- (ii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

- (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 1999 under the Sundstrand Industrial plan provisions multiplied by the Special UTC Final Average Earnings divided by Sundstrand Final Average Earnings as of December 31, 1999.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average annual earnings for the highest three consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iv) Sundstrand Final Average Earnings: The average annual earnings for the three plan years 1997, 1998 and 1999. Annual earnings is based on the Sullair definition as described under the prior Sundstrand Plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):  
Prior to January 1, 2000: Continuous service as determined under the rules of the prior Sundstrand Industrial plan.  
On or After January 1, 2000: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or a military leave).
- (vii) Credited Service: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

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Credited Service is based on the later of the date of hire or January 1, 2000.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Industrial plan.
- c. Special Age 65 Benefits: Only participants who were eligible to retire on January 1, 2000, and were hired prior to January 1, 1992. If the participant retires after age 55 and completing 5 years of service, \$9.70 per month payable at age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement date precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Industrial plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service is greater than or equal to 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in section 4.b. above. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Industrial plan.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service accrue to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Partial lump sum\*

\* Participants may elect to receive a lump sum payment for the Pre-92 Sundstrand portion of their benefit, at termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Otis Salaried**

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1. Eligibility

- a. Eligible Employees: Employees of the Otis Salaried Group not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-80 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-79 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-79 Credited Service in excess of 20}$

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

- (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service (max 33-1/3)}$

- (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service} / \text{continuous service}$

- (ii)  $\$312 \times \text{Credited Service}$

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service):  
Prior to January 1, 1980: Continuous Service as determined under the rules of the prior plan.  
On or After January 1, 1980: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service:  
Prior to January 1, 1980: Service as determined under the terms of the prior plan.  
On or After January 1, 1980: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings in effect at disability are assumed to remain constant to Normal Retirement Date. A participant is eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Otis Salaried Local Rep**

---

1. Eligibility

- a. Eligible Employees: Employees of the Otis Salaried Local Represented Group also covered by the National Elevator Industry (NEI) Multi-Employer Pension Plan who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii) less (iii), but not less than (iv) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 ( or as of a later cash balance effective date, where applicable), except that the multiplier in (iii) will continue to be updated as the multiplier under the NEI Pension Plan changes over time.

  - (i)  $\text{Pre-80 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-79 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-79 Credited Service in excess of 20}$ 

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

    - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service (max 33-1/3)}$
    - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service} / \text{continuous service}$
  - (ii)  $\$312 \times \text{Credited Service}$
  - (iii)  $\$1,176 \times \text{Credited Service (paid by NEI Pension Plan)}$
  - (iv)  $1/3 \text{ of the participant's contributions with interest under the Supplemental Contributory Plan.}$

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service):  
Prior to January 1, 1980: Continuous service as determined under the rules of the prior plan.  
On or After January 1, 1980: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or military leave).
- (v) Credited Service:  
Prior to January 1, 1980: Service as determined under the terms of the prior plan.  
On or After January 1, 1980: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Rocketdyne Grandfathered Benefits**

---

1. Eligibility

- a. Eligible Employees: Salaried employees of Rocketdyne not covered by a collective bargaining agreement, who were transferred to UTC from Boeing as of August 2, 2005

- b. Participation Requirements:

One year after becoming a covered employee. Heritage Boeing North America employees hired prior to July 1, 1999 became participants as of their hire date.

Employees who were hired at Rocketdyne prior to the sale to UTC became plan participants automatically upon August 2, 2005. Employees hired at Rocketdyne after August 2, 2005 participate under the Cash Balance plan applicable for UTC salaried employees.

2. Accrued Benefit

- a. Formula: Benefits are accrued under the former Boeing Company Pension Value Plan provisions (Boeing cash balance plan formula) until 48 months after the sale date, or August 31, 2009. After August 31, 2009, participants accrue benefits under the UTC Cash Balance plan applicable for salaried employees.

Cash balance account is equal to the sum of (i) and (ii). Prior plan benefit under (iii) also applies, if applicable:

- (i) Pay Credits: Beginning on the transition date and each plan year thereafter, benefit credits as a percentage of Pensionable pay will be allocated to each participant's cash balance account. The percentage is based on the participant's attained age at the end of the plan year as follows:

| Age as of<br><u>December 31</u> | Pay Credit as<br><u>Percent of Earnings</u> |
|---------------------------------|---------------------------------------------|
| Up to age 30                    | 3%                                          |
| Age 30 to 34                    | 4%                                          |
| Age 35 to 39                    | 5%                                          |
| Age 40 to 44                    | 7%                                          |
| Age 45 to 49                    | 9%                                          |
| Age 50 and above                | 11%                                         |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

United Technologies Corporation  
Employee Retirement Plan  
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Schedule SB, Part V – Summary of Plan Provisions

- (ii) Interest Credits: Beginning on the transition date and each plan year thereafter, simple daily interest will be credited to the participant's account balance at the beginning of the year to the earlier of benefit commencement date and the end of the plan year. The interest rate will be the average 30-year Treasury bond yield in effect during November of the prior plan year, limited to a minimum of 5.25% and maximum of 10%.
- (iii) If the Participant participated in the former Boeing plan formula (pre-cash balance) prior to the Transition Date, the accrued benefit(s) under the prior plan formula(s), will be determined and paid under the rules of that prior formula. Benefits under the prior plan formula(s) are generally increased by a ratio of Indexing Pay divided by Indexing Base to reflect future pay increases.

b. Definitions

- (i) Pensionable Pay: Annual base pay, plus incentive compensation, plus lump-sum merit pay. Pensionable Pay is limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Indexing Base: Annual base pay rate as of the transition date or cash balance entry date, if earlier.
- (iii) Indexing Pay: Highest annual base pay rate on any date on or after the transition date
- (iv) Transition Date: The date cash balance accruals begin, which is the later of date of hire and July 1, 1999
- (v) Continuous Service (vesting service):  
Prior to August 2, 2009: Continuous service is equal to credited service earned under the prior Rocketdyne plan (Heritage Boeing, BNA, BSS or MDC vesting service as of the transition date, plus elapsed time vesting service after the transition date)
- (vi) Credited Service: Continuous Service
- (vii) Monthly Cash Balance Benefit: The account balance, at retirement, divided by an annuity factor of 132. For terminated vested participants, this annuity factor is increased by 0.4 for each month prior to NRD
- (viii) Minimum Monthly Benefit: \$60 times years of benefit service

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Monthly Cash Balance benefit, plus prior plan (pre-cash balance) accrued benefits

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, or age 50 with 30 years of accumulated benefit service, or age 62 with one year of vesting service, but before Normal Retirement Date.
- b. Benefit: Monthly Cash Balance Benefit plus prior (pre-cash balance) accrued benefits.  
The transition (pre-cash balance) Boeing monthly benefit will be reduced 2% for each year of payment before age 60. The transition BNA monthly benefit will be unreduced if age plus vesting service is at least 85, otherwise reduced 7.2% for each year of payment before age 60 (6.0% per year for Certain and Electronics Salaried benefits). The transition MDC monthly benefits will be unreduced after attaining age 50 with 30 years of accumulated benefit service or after attaining age 55 with age plus vesting service at least 85; otherwise reduced 2.5% for each year of payment before the earlier of age 62 or when age plus vesting service equal to 85. The minimum monthly benefit is reduced 4.0% for each year of payment before age 65.

5. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for normal or postponed retirement.
- b. Benefit: Monthly Cash Balance benefit, plus prior plan accrued benefits reduced by 6% for each year of payment before the participant's NRD

6. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Monthly Cash Balance benefit, plus prior plan accrued benefits unreduced for early commencement

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: 50% (100% if eligible to retire) of the monthly pension benefit as of the date of death, reduced for the joint and survivor election and reduced for payment as early as the participant's early retirement date, but not less than the monthly protected death benefit. The protected death benefit is 0.825% of average monthly salary times benefit service as of January 1, 1999. In-service death is company-paid; non-spouse receive an immediate lump sum of the protected death benefit

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

8. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity with pop-up for married participants

b. Optional Forms:

- (i) 10 year certain and continuous annuity
- (ii) 100% contingent annuity\*
- (iii) 75% contingent annuity\*
- (iv) 50% contingent annuity\*
- (v) Life annuity for married participants
- (vi) Social security level income option

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

\* If the spouse is the beneficiary, there is a pop-up feature in these options.

c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

United Technologies Corporation  
Employee Retirement Plan  
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Schedule SB, Part V – Summary of Plan Provisions

| Plan                     | Changes                                                                                                                                                                                                                                                                                                                              | Effective Date |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Non-Rep:                 |                                                                                                                                                                                                                                                                                                                                      |                |
| All Subplans             | All final average earnings related benefits under the Non-Rep Plan will be frozen effective December 31, 2014. Affected participants will be eligible to continue to participate in the Plan under the UTC 3% - 8% Cash Balance Plan beginning January 1, 2015. This change will first be reflected in the 2015 ERISA PPA valuation. | 01/01/2015     |
| Carrier SEC Taylor (HMR) | Monthly benefit level increased to \$29.50 for up to 10 years of service, \$32.00 for 10 to 20 years of service and \$34.00 for over 20 years of service<br><br>* Future increase also effective as of 7/1/2013 (ultimate benefit levels of \$31.50 / \$34.00 / \$36.00). Not reflected for 2012 ERISA valuation.                    | 07/01/2012*    |

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

| (a) | (b)<br>Identity of issuer, borrower,<br>lessor, or similar party | (c)<br>Description of investment including<br>maturity date, rate of interest,<br>collateral, par, or maturity value | (d)<br>Cost of<br>asset | (e)<br>Current     |
|-----|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|
| *   | Prudential Retirement Insurance<br>and Annuity Company           | Immediate Participation Guarantee Fund                                                                               | \$ 115,357,912          | 115,357,912        |
| *   | Metropolitan Life Insurance Company                              | Immediate Participation Guarantee Fund                                                                               | 8,704,528               | 8,704,528          |
|     | Metropolitan Life Insurance Company                              | Separate Accounts-Blackrock Managed<br>Broad Market Bond Fund                                                        | 14,468,808              | 17,002,619         |
|     | Total                                                            |                                                                                                                      | <u>\$ 138,531,248</u>   | <u>141,065,059</u> |

\* Denotes a party-in-interest to the Plan

The information in this schedule has been certified as to its completeness and accuracy by Prudential Retirement Insurance and Annuity Company and Metropolitan Life Insurance Company in accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

See accompanying independent auditors' report.

**SCHEDULE SB  
(Form 5500)**Department of the Treasury  
Internal Revenue ServiceDepartment of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2012****This Form is Open to Public  
Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                                         |  |                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------|
| <b>A</b> Name of plan<br><br>United Technologies Corporation Employee Retirement Plan                                                                   |  | <b>B</b> Three-digit plan number (PN) ►<br><br>001              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br>United Technologies Corporation                                         |  | <b>D</b> Employer Identification Number (EIN)<br><br>06-0570975 |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B               |  |                                                                 |
| <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |  |                                                                 |

**Part I Basic Information**

|                                                                                                                                                                                                                |              |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|
| <b>1</b> Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2012</u>                                                                                                                                |              |                |
| <b>2</b> Assets:                                                                                                                                                                                               |              |                |
| <b>a</b> Market value .....                                                                                                                                                                                    | <b>2a</b>    | 13,890,892,724 |
| <b>b</b> Actuarial value .....                                                                                                                                                                                 | <b>2b</b>    | 13,522,586,765 |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                           |              |                |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | <b>3a</b>    | 59,281         |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | <b>3b</b>    | 38,656         |
| <b>c</b> For active participants:                                                                                                                                                                              |              |                |
| (1) Non-vested benefits .....                                                                                                                                                                                  | <b>3c(1)</b> | 340,654,272    |
| (2) Vested benefits .....                                                                                                                                                                                      | <b>3c(2)</b> | 3,872,331,032  |
| (3) Total active.....                                                                                                                                                                                          | <b>3c(3)</b> | 40,124         |
| <b>d</b> Total.....                                                                                                                                                                                            | <b>3d</b>    | 138,061        |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                          |              |                |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                      | <b>4a</b>    |                |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor..... | <b>4b</b>    |                |
| <b>5</b> Effective interest rate .....                                                                                                                                                                         | <b>5</b>     | 7.01 %         |
| <b>6</b> Target normal cost .....                                                                                                                                                                              | <b>6</b>     | 293,124,976    |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN  
HERE**Jay Mitchell 

Signature of actuary

Jay Mitchell, F.S.A.

Type or print name of actuary

Towers Watson Pennsylvania, Inc.

Firm name

263 Tresser Boulevard

Stamford

CT 06901-3226

Address of the firm

10/10/13

Date

11-05718

Most recent enrollment number

(203) 326-5444

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012  
v. 120126

**Part II Beginning of Year Carryover Prefunding Balances**

|                                                                                                                                            | (a) Carryover balance | (b) Prefunding balance |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                   | 1,451,106,792         | 0                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                | 307,190,030           | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                      | 1,143,916,762         | 0                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>7.19</u> % .....                                                       | 82,247,615            |                        |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                             |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 0                      |
| <b>b</b> Interest on (a) using prior year's effective interest rate of <u>6.27</u> % except as otherwise provided (see instructions) ..... |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                              |                       | 0                      |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                            |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                          | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                               | 1,226,164,377         | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 102.40 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 112.62 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 100.00 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %        |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b> 0                  |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                         |            |   |
|-------------------------------------------------------------------------------------------------------------------------|------------|---|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                    | <b>19a</b> | 0 |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0 |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 0 |

**20** Quarterly contributions and liquidity shortfalls:**a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No**c** If line 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
| 0                                                          | 0       | 0       | 0       |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.54 % | 2nd segment:<br>6.85 % | 3rd segment:<br>7.52 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 61                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                                                                                                                                                                                                                                                                                                                              |                   |                    |  |                     |             |                                                      |   |   |                                                |   |   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|--|---------------------|-------------|------------------------------------------------------|---|---|------------------------------------------------|---|---|
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            | <b>31a</b>                                                                                                                                                                                                                                                                                                                   | 293,124,976       |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>                                                                                                                                                                                                                                                                                                                   | 289,157,414       |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>32</b> Amortization installments:                                                                                                                                                 | <table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td><b>a</b> Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>b</b> Waiver amortization installment .....</td> <td>0</td> <td>0</td> </tr> </tbody> </table> |                   |                    |  | Outstanding Balance | Installment | <b>a</b> Net shortfall amortization installment..... | 0 | 0 | <b>b</b> Waiver amortization installment ..... | 0 | 0 |
|                                                                                                                                                                                      | Outstanding Balance                                                                                                                                                                                                                                                                                                          | Installment       |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 0                                                                                                                                                                                                                                                                                                                            | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                                                                                                                                                                                                                                                                                                                            | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>                                                                                                                                                                                                                                                                                                                    |                   |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>                                                                                                                                                                                                                                                                                                                    | 3,967,562         |                    |  |                     |             |                                                      |   |   |                                                |   |   |
|                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                              | Carryover balance | Prefunding balance |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                |                                                                                                                                                                                                                                                                                                                              | 3,967,562         | 0                  |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   | <b>36</b>                                                                                                                                                                                                                                                                                                                    | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>                                                                                                                                                                                                                                                                                                                    | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                                                                                                                                                                                                                                                                                                                              |                   |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>                                                                                                                                                                                                                                                                                                                   | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>                                                                                                                                                                                                                                                                                                                   | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>                                                                                                                                                                                                                                                                                                                    | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>                                                                                                                                                                                                                                                                                                                    | 0                 |                    |  |                     |             |                                                      |   |   |                                                |   |   |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |   |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |   |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |   |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |   |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               | 0 |  |

**United Technologies Corporation****Employee Retirement Plan****EIN: 06-0570975 PN: 001****Schedule SB, line 22 - Description of Weighted Average Retirement Age**

| (1) | (2)              | (3)   | (4)                                              | (5)                                       |
|-----|------------------|-------|--------------------------------------------------|-------------------------------------------|
| Age | Retirement<br>Qx | tPx   | Number of<br>Expected<br>Retirements<br>=(2)x(3) | Weighted<br>Retirement<br>Age<br>=(1)x(4) |
| 55  | 0.050            | 1.000 | 0.050                                            | 2.750                                     |
| 56  | 0.050            | 0.950 | 0.048                                            | 2.660                                     |
| 57  | 0.100            | 0.903 | 0.090                                            | 5.144                                     |
| 58  | 0.100            | 0.812 | 0.081                                            | 4.711                                     |
| 59  | 0.100            | 0.731 | 0.073                                            | 4.313                                     |
| 60  | 0.150            | 0.658 | 0.099                                            | 5.921                                     |
| 61  | 0.100            | 0.559 | 0.056                                            | 3.411                                     |
| 62  | 0.250            | 0.503 | 0.126                                            | 7.801                                     |
| 63  | 0.250            | 0.377 | 0.094                                            | 5.945                                     |
| 64  | 0.250            | 0.283 | 0.071                                            | 4.530                                     |
| 65  | 1.000            | 0.212 | 0.212                                            | 13.802                                    |

**WEIGHTED AVERAGE RETIREMENT AGE**

60.988

## Actuarial Assumptions and Methods — Contributions

### Economic Assumptions

|                                                     | Non-Rep        |            |
|-----------------------------------------------------|----------------|------------|
| Interest rate basis:                                | September 2011 |            |
| ▶ Applicable month                                  | Segment rates  |            |
| ▶ Yield curve basis                                 | yes            |            |
| ▶ MAP-21 applied for funding                        | yes            |            |
| ▶ MAP-21 applied for benefit restrictions           | yes            |            |
| Interest rates:                                     | Not            |            |
|                                                     | Reflecting     | Reflecting |
|                                                     | Corridor       | Corridor   |
| First segment rate                                  | 5.54%          | 2.06%      |
| Second segment rate                                 | 6.85%          | 5.25%      |
| Third segment rate                                  | 7.52%          | 6.32%      |
| ▶ Effective interest rate                           | 7.01%          | 5.50%      |
| Annual rates of increase                            |                |            |
| ▶ Compensation                                      | 4.50%          |            |
| ▶ Future Social Security wage bases                 | 3.00%          |            |
| ▶ Statutory limits on compensation                  | 2.50%          |            |
| Crediting rate on cash balance accounts             | 5.00%          |            |
| Crediting rate for Rocketdyne cash balance accounts | 5.25%          |            |

## Demographic Assumptions

|                                                           |                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inclusion date                                            | The valuation date coincident with or next following the date on which the employee becomes a participant.                                                                                                                                                                                                                                     |
| New or rehired employees                                  | It was assumed there will be no new or rehired employees.                                                                                                                                                                                                                                                                                      |
| Mortality                                                 |                                                                                                                                                                                                                                                                                                                                                |
| ▶ Healthy                                                 | Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2027 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2019 using Scale AA).                                                             |
| ▶ Disabled                                                | Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2027 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2019 using Scale AA).                                                             |
| Termination                                               | Rates varying by age and service<br>See Exhibit A                                                                                                                                                                                                                                                                                              |
| Disability                                                | Rates varying by age<br>See Exhibit B                                                                                                                                                                                                                                                                                                          |
| Retirement                                                | Rates varying by age<br>See Exhibit C                                                                                                                                                                                                                                                                                                          |
| Unpredictable Contingent Event Benefit (UCEB) assumptions | For Non-Rep, 10% of termination rates are assumed to be layoffs eligible for an additional year of service under certain plan formulas. These assumptions have been selected by the plan sponsor, and evaluation of the assumption(s) was outside the scope of Towers Watson’s assignment and would have required substantial additional work. |

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Assumptions and Methods

|                            |                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form of payment            | 50% life annuity and 50% CA benefit (equally split between option 50% and option 100% CA);<br>For Non-Rep Rocketdyne: 30% life annuity and 70% CA benefit (option 50%);<br>For Non-Rep cash balance participants (other than HMR cash balance): for retirement and death, immediate lump sum; for vested termination, 75% immediate lump sum and 25% deferred to age 55 lump sum; |
| Percent married            | 100% at age 55 for subplans with the 100% CA annuity that allows non-spouse beneficiaries;<br>81% for all others in Non-Rep                                                                                                                                                                                                                                                       |
| Spouse age                 | Females three years younger than males.                                                                                                                                                                                                                                                                                                                                           |
| Covered pay                | For current year hires, the maximum of pay rate and the prior year's pensionable earnings, annualized and increased by 3.00%. For participants on leave of absence, pay rate. For all other participants, prior year's pensionable earnings increased by 3.00%.<br><br>For Non-Rep, a minimum of \$25,000 is placed on valuation pay for new hires.                               |
| Administrative expenses    | For Non-Rep: 0.2% of the fair value of assets.                                                                                                                                                                                                                                                                                                                                    |
| Loads                      | For Non-Rep, the PPA and ASC 960 liability is increased by 0.5% to estimate the impact of the optional forms.                                                                                                                                                                                                                                                                     |
| At-risk assumptions        | N/A                                                                                                                                                                                                                                                                                                                                                                               |
| Timing of benefit payments | Annuity payments are payable monthly at the beginning of the month.                                                                                                                                                                                                                                                                                                               |

## Methods

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date                                          | First day of plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Funding target                                          | Present value of accrued benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Target normal cost                                      | Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year                                                                                                                                                                                                                                                                                                                                                                                                    |
| Actuarial value of assets                               | Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2011 plan year.)                                                                                |
| Benefits not valued                                     | <p>All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with United Technologies Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.</p> <p>The plan pays small benefits (with a present value up to \$5,000) in a single lump sum payment. Such lump sums are not explicitly valued as such; rather such participants benefits are valued using the benefit choice assumptions described above.</p> |
| Change in assumptions and methods since prior valuation | <p>The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2010 to September 2011. In addition, for Non-Rep, the segment rates used to determine minimum funding requirements and benefit restrictions were revised by applying the corridors of MAP-21.</p> <p>The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.</p>                    |

Exhibit A

Termination Assumptions

Annual Rates per 1,000 Participants

| Age | Plan: Non-Rep    |                 |
|-----|------------------|-----------------|
|     | Years of Service |                 |
|     | <u>0-5</u>       | <u>5 and up</u> |
| 25  | 147.4            | 94.0            |
| 30  | 137.6            | 89.0            |
| 35  | 129.4            | 75.0            |
| 40  | 118.6            | 58.6            |
| 45  | 110.0            | 49.0            |
| 50  | 105.0            | 44.0            |
| 55  | 98.5             | 38.9            |
| 60  | 0.0              | 0.0             |
| 65  | 0.0              | 0.0             |
| 70  | 0.0              | 0.0             |
| 75  | 0.0              | 0.0             |
| 80  | 0.0              | 0.0             |

Note: 10% of above termination rates are assumed to be layoffs eligible for an additional year of service (UCEBs) under certain plan formulas.

Exhibit B

Disability Assumptions  
Annual Rates per 1,000 Participants

| Plan: | Non-Rep |        |
|-------|---------|--------|
| Age   | Male    | Female |
| 25    | 0.5     | 0.6    |
| 30    | 0.6     | 0.9    |
| 35    | 0.9     | 1.5    |
| 40    | 1.4     | 2.0    |
| 45    | 2.6     | 3.3    |
| 50    | 5.1     | 5.5    |
| 55    | 9.6     | 8.5    |
| 60    | 14.7    | 10.9   |
| 65    | 0.0     | 0.0    |
| 70    | 0.0     | 0.0    |
| 75    | 0.0     | 0.0    |
| 80    | 0.0     | 0.0    |

Exhibit C

Retirement Assumptions

| Age | Non-Rep |
|-----|---------|
| 55  | 0.05    |
| 56  | 0.05    |
| 57  | 0.10    |
| 58  | 0.10    |
| 59  | 0.10    |
| 60  | 0.15    |
| 61  | 0.10    |
| 62  | 0.25    |
| 63  | 0.25    |
| 64  | 0.25    |
| 65  | 1.00    |

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**All Salaried Employees**

---

Effective January 1, 2011, UTC salaried employees hired after December 31, 2010 will not be eligible to participate in the pension plan and will receive an company automatic fixed contribution in the UTC savings plan instead. Newly hired hourly management represented and Puerto Rico exempt employees will continue to be eligible to participate in the Non-Rep Pension Plan.

Effective January 1, 2015, all final average earnings related benefits under the Non-Rep Plan will be frozen. Affected participants will be eligible to continue to participate in the Plan under the UTC 3%-8% Cash Balance Plan beginning January 1, 2015. This plan change will not be considered for the ERISA valuation until 2015.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
All Salaried Employees  
Cash Balance Plan**

---

1. Eligibility

- a. Eligible Employees: Salaried employees of United Technologies Corporation who were hired between June 30, 2002 and December 31, 2009 or who elected the cash balance formula during My Pension.My Choice. to be effective as of April 1, 2003 (or as of a later cash balance effective date, where applicable). Select GE Security employees are eligible to participate beginning January 1, 2011.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i), (ii), minus (iii), if applicable; plus (iv), if applicable:
- (i) Pay Credits: Upon becoming an eligible participant, pay credits accrue from the date of hire or, for participants who elected the cash balance formula during My Pension.My Choice., from the cash balance effective date. Pay credits are added to the cash balance account at the end of each month and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3%                                           |
| Age 30 to 34                     | 4%                                           |
| Age 35 to 39                     | 5%                                           |
| Age 40 to 44                     | 6%                                           |
| Age 45 to 49                     | 7%                                           |
| Age 50 and above                 | 8%                                           |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year, but not less than 3.8%. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the month of November of the prior year. Interest credits continue until the date payments begin.

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

- (iii) The cash balance account of (a) certain Carrier Enterprises participants and (b) certain Otis participants will be offset by the amounts described below:
  - (a) For Carrier Enterprises participants who participate in the profit sharing plan (part of UTC Savings Plan II), the value of the post-March 31, 2003 notional profit sharing account will be offset.
  - (b) For Otis Group or Otis Local Group participants who participate in the National Elevator Industry Multi-Employer Pension Plan (NEI Pension Plan), the value of the NEI Pension Plan benefit attributable to service on or after April 1, 2003 will be offset.
- (iv) If the Participant elected the cash balance formula during My Pension.My Choice., the accrued benefit under the prior Final Average Earnings (FAE) formula, frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable), will be paid under the rules of that prior formula. In general, any prior FAE benefit is only available as an annuity commencing at age 55 or later.

b. Definitions

- (i) Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iii) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (iv) Credited Service: Continuous Service or, for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date, but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company,
  - service prior to January 1, 1985 for former Plan A participants, and
  - for layoffs occurring after December 31, 2004, any period of time following the date of layoff.
- (v) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table.

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

4. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

5. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly, or else a lump sum payment option equal to the cash balance account. A participant can commence payment of the benefit on the first day of any month following termination.

6. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits, using base earnings at the date of disability, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. The cash balance account can be paid at any time, but, once paid, the pay credits and the interest credits will stop.

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: If the participant dies after becoming vested, the spouse or beneficiary will receive the full account balance if the death occurs before the cash balance payments are scheduled to begin. The spouse can elect an annuity or to defer payment to as late as when the participant would have attained age 65.

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8. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump-Sum Payment

The normal form of payment is converted to an optional form under 417(e) government mandated basis.

c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Cash Balance Groups  
Pratt & Whitney Hourly Management Represented**

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1. Eligibility

- a. Eligible Employees: Hourly management represented employees of Pratt & Whitney San Antonio Product Team, Pratt & Whitney Dallas Airfoil Repair Operations, Pratt & Whitney PSD Nordam, Pratt & Whitney Hourly Management Represented Wichita Falls and Pratt & Whitney Power Systems (Turbo Power & Marine) not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the later of:
- January 1, 1999 (San Antonio), January 1, 2001 (Dallas), January 1, 2008 (Pratt PSD Nordam), January 1, 2008 (Pratt HMR Wichita Falls)
  - date of employment

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i) and (ii):
- (i) Pay Credits: At the end of each month, pay credits are added to the cash balance account and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3.00%                                        |
| Age 30 to 34                     | 3.75%                                        |
| Age 35 to 39                     | 4.50%                                        |
| Age 40 to 44                     | 5.25%                                        |
| Age 45 to 49                     | 6.00%                                        |
| Age 50 and above                 | 7.00%                                        |

Pay credits stop accruing when the participant retires, terminates (whether by reason of discharge, layoff or otherwise) or dies.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the months of August and September of the prior year, subject to a minimum interest rate of 4.0%. Interest credits continue until the date payments begin.

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b. Definitions

- (i) Annual Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iii) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (iv) Credited Service: Continuous Service after January 1, 1999 (San Antonio) or January 1, 2001 (Dallas) or January 1 2008 (Pratt PSD Nordam and Pratt HMR Wichita Falls) but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year, and
  - service counted as Credited Service under any other defined benefit retirement plan of the company
- (v) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the months of August and September of the prior year, and the 417(e) government mandated mortality table.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits on any eligible pay received, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, at which time any pay credits and the interest credits will stop.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, or age 65.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Non-Howmet/Non-Sundstrand Divisions**

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1. Eligibility

- a. Eligible Employees: Employees of the Aerospace Group not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: The greatest of (i), (ii) or (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-78 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service} / \text{Aerospace Group continuous service}$
- (ii)  $1.5\% \text{ Final Average Earnings} \times \text{pre-78 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{Credited Service} / \text{Aerospace Group continuous service}$
- (iii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of participation in the Aerospace Group and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.

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- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Howmet Salaried Divisions**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the Howmet divisions not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Howmet prior to the sale to UTC became plan participants automatically upon the sale date of September 10, 1997.

2. Accrued Benefit

- a. Formula: For all participants, the greater of (i) or (ii), reduced at the Participant's election, by the actuarial equivalent of (iii):

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20 years)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20 years}$   
Minus  
 $1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$
- (ii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.
- (iii) A lump sum distribution of the Cash Balance Account as of September 10, 1997 with interest compounded monthly through the distribution date, at the Cash Balance Interest Crediting Rate (if not distributed upon termination of employment).

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Howmet earnings.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service):  
Prior to September 10, 1997: Continuous service as determined under the rules of the prior Howmet plan.  
On or After September 10, 1997: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or a military leave).
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective dateCredited Service is based on the later of the date of hire or January 1, 1996.
- (vi) Cash Balance Interest Crediting Rate: Reset annually based on:
  - average of 1 year Treasury bill yields in November prior to Plan Year, plus 1%

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

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4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service\*, but before becoming eligible for early, normal or postponed retirement.
  - \* Participants active on the sale date are automatically vested in both their Cash Balance Account and UTC benefits.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement date precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service is greater than or equal to 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in section 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service accrue to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

If the participant dies before meeting the requirements of (i) above and is not married, no survivor benefits are payable. However, a lump sum benefit equal to the Cash Balance Account plus interest is due to the estate or beneficiary(s) if so elected.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Partial lump sum\*

\* Participants may withdraw their Cash Balance Account with interest at either termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum

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value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Howmet Hourly - Tulsa and Wichita Falls Divisions**

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1. Eligibility

- a. Eligible Employees: Hourly employees of the Howmet division not covered by a collective bargaining agreement at the Tulsa and Wichita Falls locations. Employees hired after December 31, 2007 at Wichita Falls are covered by the Pratt & Whitney Hourly Management Represented Cash Balance plan.
- b. Participation Requirements\*: Eligible Employees become participants on the January 1 or July 1 coincident with or following the earlier of:
- age 21 and one year of eligibility service
  - five years of eligibility service
- \* Employees who were hired at Howmet prior to the sale to UTC became plan participants automatically upon the sale date of September 10, 1997.

2. Accrued Benefit

- a. Formula for Tulsa: The sum of (i) and (ii):
- (i) \$180.00 x Howmet Credited Service (Howmet benefit)
  - (ii) \$192.00 x UTC Credited Service (UTC benefit)
- b. Formula for Wichita Falls: The sum of (i) and (ii)
- (i) \$180.00 x Howmet Credited Service (Howmet benefit)
  - (ii) Monthly benefit level from the table below based on Final Average Earnings frozen as of December 31, 2007 times months of UTC Credited Service from September 1, 1997 until December 31, 2007:

| Final Average Earnings | Monthly Benefit Level |
|------------------------|-----------------------|
| Under \$25,000         | \$22.00               |
| 25,000 - 29,999        | 23.00                 |
| 30,000 - 34,999        | 24.00                 |
| 35,000 and over        | 25.00                 |

Effective January 1, 2008, the benefit formula follows the Pratt & Whitney Hourly Management Represented Cash Balance formula.

c. Definitions

- (i) Annual Earnings: Total compensation as a participant including tax deferred contributions to the savings plan and pre-tax contributions for UTC Choice benefits, but excluding awards and reimbursements. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay rate in the first and last partial year of participation is annualized.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination.

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- (iii) Continuous Service (service): The total period of a participant's employment, including service after the Normal Retirement Date.
- (iv) Howmet Credited Service: The period of employment calculated under the prior Howmet plan through September 10, 1997.
- (v) UTC Credited Service: Continuous Service after September 10, 1997 but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year, and
  - service counted as Credited Service under any other defined benefit retirement plan of the company

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced as follows:
  - (i) For Howmet benefit: The accrued benefit at retirement payable monthly reduced 3% per year for each year the benefit commencement date precedes the Normal Retirement Date.
  - (ii) For UTC benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55. The benefit is reduced as follows:
  - (i) For Howmet benefit: The accrued benefit at termination payable monthly reduced 3% per year for each year the benefit commencement date precedes the Normal Retirement Date.
  - (ii) For UTC benefit: The accrued benefit at termination payable monthly reduced 5% per year for each year the benefit commencement date precedes the Normal

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Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. The accrued benefit is determined using the benefit multiplier in effect as of the disability onset date as determined by the Social Security Administration. Service and Credited Service continue up to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 55.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable. Payment of the UTC benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

The Howmet benefit is available to the spouse immediately, payable anytime on or after the first of the month following the month in which the participant dies. The Howmet benefit is reduced 3% per year from age 65 to age 55 and 2% per year under age 55. The lump sum option is available on this portion of the benefit.

- (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable. Payment of the UTC benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

The Howmet benefit is available to the spouse immediately, payable anytime on or after the first of the month following the month in which the participant dies. The Howmet benefit is reduced 3% per year from age 65 to age 55 and 2% per year under age 55. The lump sum option is available on this portion of the benefit.

If the participant dies before meeting the requirements of (i) above and is not married, no survivor benefits are payable. However, a lump sum benefit equal to 85% of the actuarial equivalent of the Howmet benefit calculated at the date of death is due to the estate.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity\*
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity\*
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Partial lump sum\*\*

\* 10 year certain and continuous annuity and 66-2/3% contingent annuity are only available on the UTC benefit.

\*\* Partial lump sum is available only on the Howmet benefit.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
PSD Nordam Hourly**

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1. Eligibility

- a. Eligible Employees: Hourly employees of the Nordam division not covered by a collective bargaining agreement. Employees hired after December 31, 2007 at PSD Nordam are covered by the Pratt & Whitney Hourly Management Represented Cash Balance Plan.
- b. Participation Requirements\*: Eligible Employees become participants on the January 1 or July 1 coincident with or following the earlier of:
  - age 21 and one year of eligibility service
  - five years of eligibility service

\* Employees who were hired at Nordam prior to the sale to UTC became plan participants automatically upon the sale date of April 1, 1996.

2. Accrued Benefit

- a. Formula:  $\$252.00 \times \text{Credited Service until December 31, 2007}$ . Effective January 1, 2008 the benefit formula follows the Pratt & Whitney Hourly Management Represented Cash Balance formula
- b. Definitions
  - (i) Continuous Service (service): The total period of a participant's employment, including service after the Normal Retirement Date.
  - (ii) Credited Service: Continuous Service after April 1, 1996 but excluding:
    - a break in service which exceeds 30 days,
    - leaves of absence without compensation in excess of one year, and
    - service counted as Credited Service under any other defined benefit retirement plan of the company

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.

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- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. The accrued benefit is determined using the benefit multiplier in effect as of the disability onset date as determined by the Social Security Administration. Service and Credited Service continue up to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable. Payment of the benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable. Payment of the benefit commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Hamilton Sundstrand Puerto Rico Exempt**

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1. Eligibility

- a. Eligible Employees: Puerto Rico Exempt employees, not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the later of:
  - date of employment
  - May 9, 1992

2. Accrued Benefit

- a. Formula: the greater of (i) or (ii)
  - (i) Career Accumulation Method (CAM)\*: The sum of (a) and (b):
    - (a) the greater of 2% of Annual Earnings (contributory years only) or \$180
    - (b) \$180 (noncontributory years only)

\* a 2% increase is applied to the final accrued benefit under (i)
  - (ii) Final Average Compensation Method (FAC): The sum of (a) and (b):
    - (a) Graded benefit level of \$300 for Final Average Earnings under \$27,750 to \$366 for Final Average Earnings of \$34,050 and over x Credited Service (contributory years only)
    - (b) \$156 x Credited Service (noncontributory years only)
- b. Definitions
  - (i) Annual Earnings: Total compensation as a participant including overtime, bonuses, pre-tax contributions and certain commissions. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
  - (ii) Final Average Earnings: The average Annual Earnings for the highest three plan years in the last ten plan years before termination. Calendar years with zero earnings are excluded.
  - (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
  - (iv) Continuous Service (service): Assumed to be the same as Credited Service.
  - (v) Credited Service: Elapsed, with fractional years prorated based on 365 days.
  - (vi) Voluntary Employee Contributions: 1.5% of Annual Earnings, where employee can elect to contribute or not to contribute.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65 and completes 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of the earlier of age 60 and the completion of 10 years of service or the attainment of age 58 and the completion of 30 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced as follows:
  - (i) if less than 30 years of service, the accrued benefit at retirement is the greater of the benefit described in 2.a.(i) above payable monthly reduced 4% per year for each year benefit commencement precedes age 65, or the accrued benefit at retirement described in 2.a.(ii) above, unreduced.
  - (ii) if 30 or more years of service and under age 60, the accrued benefit at retirement described in 2.a. above payable monthly reduced 3% per year for each year benefit commencement precedes age 60.
- c. Early Retirement Supplement:
  - (i) Eligibility: Retire before age 62
  - (ii) Benefit: \$132 x Credited Service, payable until the earlier of age 62 or death.
- d. Special Early Retirement Supplement:
  - (i) Eligibility: Retire between ages 58 and 60 with at least 30 years of service, or retire between ages 60 and 62 with at least 25 years of service.
  - (ii) Benefit: \$1,200 per year payable to age 60 and \$2,400 per year payable from age 60 to age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit as described in 4.a. above, with the benefit reduced 6% for each year the benefit commencement date precedes the Normal Retirement Date.

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit or completing 25 years of service or attaining age 50 with 15 years of service, a 55% contingent annuity benefit is payable and payment commences immediately, reduced based on age and service of participant, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) above, a 55% spouse's benefit is payable, and payment commences when the participant would have attained age 65.

8. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 55% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 100% contingent annuity
  - (iii) 75% contingent annuity
  - (iv) 55% contingent annuity
  - (v) 50% contingent annuity
  - (vi) Life annuity for married participants
  - (vii) Lump sum

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Hamilton Sundstrand Aerospace Divisions**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the Sundstrand Aerospace divisions, not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Sundstrand Aerospace prior to the sale to UTC became plan participants automatically upon January 1, 2000.

2. Accrued Benefit

a. Formula:

The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20 years)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20 years}$

Minus

$1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$

- (ii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

- (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 1999 under the Sundstrand Aerospace plan provisions multiplied by the Special UTC Final Average Earnings divided by Sundstrand Final Average Earnings as of December 31, 1999.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average Annual Earnings for the highest three consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iv) Sundstrand Final Average Earnings: The average annual earnings for the three plan years 1997, 1998 and 1999. Annual earnings is based on the Sullair definition as described under the prior Sundstrand Plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):  
Prior to January 1, 2000: Continuous service as determined under the rules of the prior Sundstrand Aerospace plan.  
On or After January 1, 2000: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or a military leave).
- (vii) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

Credited Service is based on the later of the date of hire or January 1, 2000.

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Aerospace plan.
- c. Special Age 65 Benefits: Only participants who were eligible to retire on January 1, 2000, and were hired prior to January 1, 1992. If the participant retires after age 55 and completing 5 years of service, \$9.70 per month payable at age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement date precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Aerospace plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service is greater than or equal to 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in section 4.b. above. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Aerospace plan.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service accrue to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit

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commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Partial lump sum\*

\* Participants may elect to receive a lump sum payment for the Pre-92 Sundstrand portion of their benefit, at termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Plan A Hourly**

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1. Eligibility

- a. Eligible Employees: Hourly employees of the company located at the Pratt & Whitney, Columbus, Georgia location and Pratt & Whitney ORCS.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of service

2. Accrued Benefit

- a. Formula: Monthly benefit level from the table below based on Final Average Earnings times months of Credited Service:

| Final Average Earnings | Monthly Benefit Level |
|------------------------|-----------------------|
| Under \$27,000         | \$28.00               |
| 27,000 - 28,999        | 30.00                 |
| 29,000 - 30,999        | 32.00                 |
| 31,000 - 32,999        | 34.00                 |
| 33,000 – 34,999        | 35.00                 |
| 35,000 – 36,999        | 36.00                 |
| 37,000 and over        | 37.00                 |

b. Definitions

- (i) Annual Earnings: Total compensation as a participant including tax deferred contributions to the savings plan and pre-tax contributions for UTC Choice benefits, but excluding awards and reimbursements. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay rate in the first and last partial year of participation is annualized.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
- (v) Credited Service: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year, and
  - service counted as Credited Service under any other defined benefit retirement plan of the company.

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between age 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4b above.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and receiving Social Security disability benefits.
- b. Benefit: The accrued benefit at disability payable monthly commencing on the first of the month following one year of disability and continuing during the participant's lifetime until the earliest of:
  - (i) the date Social Security disability benefits cease
  - (ii) the date early retirement benefits commence
  - (iii) the Normal Retirement Date

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies prior to receiving an early, normal or postponed retirement benefit, the following benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Plan A Salaried**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the company at Sikorsky Support Services, Inc. – Troy not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of service

2. Accrued Benefit

- a. Formula: the greater of (i) or (ii):

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i) 1.5% Final Average Earnings x Credited Service

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

- (a) 1.5% Primary Social Security benefit x Credited Service (max 33-1/3)
- (b) 50% Primary Social Security benefit x Credited Service/continuous service

- (ii) \$240 x Credited Service

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 and 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company,
  - service prior to January 1, 1985, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The greater of (i), (ii) or (iii)
  - (i) The accrued benefit at retirement described in 2.a.(i)(a) above payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.
  - (ii) The accrued benefit at retirement described in 2.a.(i)(b) above payable monthly reduced 3.6% per year for each year benefit commencement precedes age 65. The benefit is unreduced if the participant retires on or after the attainment of age 65.
  - (iii) The accrued benefit at retirement described in 2.a.(ii) above payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

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8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).
- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis. An optional lump sum is available on amounts up to \$10,000.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Schweizer Aircraft**

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1. Eligibility

- a. Eligible Employees: Salaried employees of Schweizer Aircraft not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service
  - \* Employees who were hired at Schweizer Aircraft prior to the sale to UTC became plan participants automatically upon February 1, 2005.

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i) , (ii), plus (iii), if applicable:
  - (i) Pay Credits: Upon becoming an eligible participant, pay credits accrue from the date of hire or, February 1, 2005 for participants at that date. Pay credits are added to the cash balance account at the end of each month and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3%                                           |
| Age 30 to 34                     | 4%                                           |
| Age 35 to 39                     | 5%                                           |
| Age 40 to 44                     | 6%                                           |
| Age 45 to 49                     | 7%                                           |
| Age 50 and above                 | 8%                                           |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the month of November of the prior year. Interest credits continue until the date payments begin.
- (iii) For participants hired prior to sale date:  
Benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Special UTC Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002.

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b. Definitions

- (i) Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Schweizer Aircraft earnings. Calendar years with zero earnings and calendar years 2003 and 2004 are excluded.
- (iii) Schweizer Aircraft Final Average Earnings: The average annual earnings for the five plan years 1998, 1999, 2000, 2001 and 2002. Annual earnings are based on the Schweizer Aircraft definition as described under the prior Schweizer Aircraft Pension Plan.
- (iv) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (v) Continuous Service (service):  
Prior to February 1, 2005: Continuous service is equal to credited service earned under the prior Schweizer Aircraft Pension Plan.  
On or after February 1, 2005: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for child care leave, or if re-employed, two years for a layoff or a military leave).
- (vi) Credited Service on or after February 1, 2005: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for layoffs occurring after December 31, 2004, any period of time following the date of layoff.
- Credited Service is based on the later of the date of hire or February 1, 2005.
- (vii) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table.

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of, but before Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002. This benefit will be reduced 4% per year prior to age 65 commencement. However, this benefit may be unreduced if the commencement is between age 63 ½ and age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly, or else a lump sum payment option equal to the cash balance account. A participant can commence payment of the benefit on the first day of any month following termination.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002. If this benefit commences prior to age 65, it will be reduced 4% per year prior to age 65.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits, using base earnings at the date of disability, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. The cash balance account can be paid at any time, but, once paid, the pay credits and the interest credits will stop.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: If the participant dies after becoming vested, the spouse or beneficiary will receive the full account balance if the death occurs before the cash balance payments are scheduled to begin. The spouse can elect an annuity or to defer payment to as late as when the participant would have attained age 65.

Former Schweizer Aircraft participants will also receive their benefit accrued as of December 31, 2002 under the Schweizer Aircraft plan provisions multiplied by the Final Average Earnings divided by Schweizer Aircraft Final Average Earnings as of December 31, 2002, payable as a 50% contingent annuity, as early as the participant's earliest retirement date.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump-Sum Payment

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Aerospace Non-Rep  
Kidde Aerospace Grandfathered Benefits**

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1. Eligibility

- a. Eligible Employees: Salaried employees of Kidde Aerospace, not covered by a collective bargaining agreement, who were transferred to UTC from Kidde as of December 1, 2005
- b. Participation Requirements:
- Effective January 1, 2002, plan participation in the former Kidde pension plan was frozen. Participants must have attained age 40, earned five years of vesting service and the sum of their age and service must have equaled or exceeded 55 in order to continue accruing any benefits. Participants who chose to participate in the defined contribution plan or did not meet the previous requirements had their benefits frozen at that time.
- Effective January 1, 2006, non-grandfathered employees of Kidde Aerospace participate under the Cash Balance formula applicable for UTC salaried employees.

2. Accrued Benefit

- a. Formula: Benefits are accrued under the former Kidde pension plan provisions. Benefit is (i) plus (ii) for all participants, except Santa Barbara Dual Spectrum who were making voluntary employee contributions to the Hughes plan as of December 7, 1995. For those participants, see (iii).
- (i)  $[1.0\% \text{ Final Average Earnings} \times \text{Credited Service} + 0.65\% \text{ Final Average Earnings in excess of Covered Compensation}] \times \text{lesser of Projected Credited Service and 25 years} \times [(\text{Credited Service from January 1, 2002}) / \text{Projected Credited Service}]$ .
- Projected Credited Service can extend beyond December 31, 2014, and begins on December 1, 1989.
- (ii) Prior plan benefit accrued as of December 31, 2001, calculated under the prior plan formula(s), will be determined and paid under the rules of that prior formula.
- (iii) The greater of (a), (b) and (c).
- (a) Career Average Benefit – 1% of each year's earnings up to \$3,600 + 2% of the excess of each year's earnings over \$3,600 [plus 1/24 of 12/31/1985 contributions.]
- (b) Minimum Benefit -  $\$156 \times \text{Credited Service} + 0.50\% \text{ Final Average Earnings} \times \text{Credited Service}$
- (c) Final Average Earnings Benefit –  $1.75\% \text{ Final Average Earnings} \times \text{Credited Service} \text{ minus } 1.50\% \text{ of age 65 Social Security benefit} \times \text{Projected Credited Service (limited to 33.33)} \times \text{ratio of Credited Service at date of termination over Credited Service projected at Normal Retirement Date.}$

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b. Definitions

- (i) Earnings: Total of all compensation paid to the employee as reported on IRS Form W-2 including salary deferrals but excluding severance payments. Earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Final Average Earnings: Average Earnings for the highest 60 consecutive months out of the last 120 months of employment
- (iii) Covered Compensation: Monthly average of the Taxable Wage Bases in effect for each calendar year during the 35 year period ending with the calendar year in which the participant attains Social Security Retirement age
- (iv) Continuous Service (vesting service): Years and months of continuous employment from the later of date of hire or date company became a participating company
- (v) Credited Service: Continuous Service

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date
- b. Benefit: The accrued benefit at retirement payable monthly

6. Vested Termination

- a. Eligibility: Termination of employment, but before becoming eligible for normal or postponed retirement. (All participants became 100% vested on January 1, 2002.)
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing five years of service and, either qualified to receive Social Security disability benefits or entitled to receive disability benefits under the company's LTD program.
- b. Benefit: The benefit will continue to accrue during disability at the most recent rate of pay prior to disablement.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit:
  - (i) If the participant dies and is married after becoming eligible for an early, normal or postponed retirement benefit, a 50% spouse's benefit is payable. Payment may commence at any time prior to when the participant would have attained age 65, reduced as described in 4.b above.
  - (ii) If the participant dies after becoming vested and is married but does not meet the requirements of (i), a 50% spouse's benefit is payable. Payment may commence no earlier than when the participant would have attained age 55, reduced as in 6.b above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66 2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

Optional Forms for Dual Spectrum participants:

- (i) Partial lump sum, single life annuity
- (ii) 100% contingent annuity
- (iii) 75% contingent annuity
- (iv) 66 2/3% contingent annuity
- (v) 50% contingent annuity
- (vi) 5, 10, or 15 year certain and life annuity
- (vii) 5, 10, or 15 year certain period
- (viii) 5, 10, or 15 year temporary benefit
- (ix) Social Security Level income option

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum

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value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Carrier A  
Carrier and Electronic Controls Divisions**

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1. Eligibility

- a. Eligible Employees: Employees of the Carrier Group and the Electronic Controls Group (Control Systems) not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Carrier Formula: The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $1.3\% \text{ Final Average Earnings} \times \text{pre-91 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-90 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-90 Credited Service in excess of 20}$   
Minus (a) + (b) or, (c) if less
  - (a)  $30\%/35 \times \text{Primary Social Security benefit} \times \text{Social Security early retirement factor at greater of age 62 or actual age} \times \text{pre-91 Credited Service (max 35)}$
  - (b)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-90 Credited Service}$
  - (c)  $50\% \text{ Primary Social Security benefit}$
- (ii)  $\$156 \times \text{Credited Service}$

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

- b. Electronic Controls Formula: The greater of (i) or (ii):

- (i)  $\text{Pre-74 Benefit} + 1.5\% \text{ Final Average Earnings} \times \text{Credited Service from 1974 to 1990} + 2\% \text{ Final Average Earnings} \times \text{post-90 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-90 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-73 Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-73 Credited Service/continuous}$

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service

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(ii) **Pre-74 Benefit + \$156 x post-73 Credited Service**

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

c. **Definitions**

- (i) **Annual Earnings**: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) **Final Average Earnings**: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) **Maximum Benefit**: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) **Continuous Service (service)**: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) **Credited Service**: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: For Carrier Group, first of the month coincident with or following the date on which a participant attains age 65. For Electronic Controls Group, first of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit:
  - (i) For Carrier Group, the accrued benefit at retirement as described in 2.a. above payable monthly reduced 2.4% per year for each year benefit commencement precedes the earlier of:
    - age 62
    - age at which the sum of age, service and pre-92 service (max 20) equals 100

The benefit is unreduced if the participant retires on or after the attainment of age 62.

- (ii) For Electronic Controls Group, the greatest of (a), (b) or (c)
      - (a) The accrued benefit at retirement described in 2.b.(i)(a) above payable monthly reduced 2.4% per year for each year benefit commencement precedes the earlier of :
        - age 62
        - age at which the sum of age, service and pre-92 service (max 20) equals 100
- The benefit is unreduced if the participant retires on or after the attainment of age 62.
- (b) The accrued benefit at retirement described in 2.b.(i)(b) above payable monthly reduced 3.6% per year for each year benefit commencement precedes age 65. The benefit is unreduced if the participant retires on or after the attainment of age 65.
    - (c) The accrued benefit at retirement described in 2.b.(ii) above payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants. If the spouse is the beneficiary of a Carrier Group participant, 25% of the cost of any joint and survivor annuity is subsidized by the company unless the participant's benefit is payable under 6.b. above.

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**Carrier A**  
**Carrier Enterprises Divisions**

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1. Eligibility

- a. Eligible Employees: Employees of the Carrier Enterprises divisions not covered by a collective bargaining agreement, who were participants before January 1, 2001 and who attained age 40 or had 5 years of Continuous Service. Transfers from other UTC divisions are eligible for the plan if they transfer into a Carrier Enterprises division prior to December 31, 2005 and meet the age or service eligibility requirements at the time of transfer.
- b. Participation Requirements: Eligible Employees became participants on January 1, 2001 (or as of date of transfer, if later).

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii), minus (iii)\* below:  
For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).
  - (i) 1.3% Final Average Earnings x pre-91 Credited Service + 2% Final Average Earnings x post-90 Credited Service (max 20) + 1% Final Average Earnings x post-90 Credited Service in excess of 20  
Minus (a) + (b) or, (c) if less
    - (a) 30%/35 x Primary Social Security benefit x Social Security early retirement factor at greater of age 62 or actual age x pre-91 Credited Service (max 35)
    - (b) 1.5% Primary Social Security benefit x post-90 Credited Service
    - (c) 50% Primary Social Security benefit
  - (ii) \$156 x Credited Service
  - (iii) Annuitized Notional Account Offset
- \* The Annuitized Notional Account Offset is only applied to the portion of the benefit attributable to service beginning as of January 1, 2001 (or date of transfer into the plan, if later).  
For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date
- (vi) Notional Account: The sum of (a) and (b)
  - (a) Annual credits equal to 6% of a participant's pensionable earnings for the previous year. This amount is added to the accumulated account value in the first quarter of each plan year. The annual credit may be periodically changed by UTC to a different percentage credit between 3% and 6%.
  - (b) 7.50% annual compound interest credited on the beginning of year account balance at December 31.

The January 1, 2001 Notional Account balance is zero. The initial credit to the account will be made during the first quarter of 2002.
- (vii) Annuitization Basis (to convert Notional Account to life annuity payable beginning at Normal Retirement): 7.50% interest and 1994 Group Annuity Mortality (Unisex); no mortality is assumed prior to Normal Retirement.

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Employee Retirement Plan  
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3. Normal Retirement

- a. Date: First of the month coincident with or following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement as described in 2. above payable monthly reduced 2.4% per year for each year benefit commencement precedes the earlier of age 62 or age at which the sum of age, service and pre-92 service (max 20) equals 100. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).
- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**Carrier A**  
**International Comfort Products (ICP) Division**

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1. Eligibility

- a. Eligible Employees: Employees of the Carrier ICP division not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Carrier ICP prior to the sale to UTC became plan participants automatically upon January 1, 2001.

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20}$

Minus

$1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33 1/3)}$

- (ii)  $\$156 \times \text{Credited Service}$

- (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 2000 under the ICP plan provisions multiplied by the Special UTC Final Average Earnings divided by ICP Final Average Earnings as of December 31, 2000.

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale ICP earnings. Calendar year with zero earnings are excluded.
- (iv) ICP Final Average Earnings: The average of annual earnings for the five plan years from 1996 through 2000. Annual earnings is based on the definition as described under the prior ICP plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):  
Prior to January 1, 2001: Continuous service as determined under the rules of the prior ICP plan.  
On or after January 1, 2001: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (vii) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

Credited Service is based on the later of date of hire or January 1, 2001.

3. Normal Retirement

- a. Date: First of the month coincident with or following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2001. The portion of the benefit accrued to December 31, 2000 is reduced according to the provisions of the ICP plan.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2001. The portion of the benefit accrued to December 31, 2000 is reduced according to the provisions of the ICP plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above. The portion of the benefit accrued to December 31, 2000 is reduced according to the provisions of the ICP plan.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Partial lump sum\*

\* Participants may elect to receive a lump sum payment for the ICP portion of their benefit, at termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).
- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Carrier Specialty Equipment Companies (SEC)  
SEC – Salaried Divisions**

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1. Eligibility

- a. Eligible Employees: All salaried employees (including office non-exempt employees) of the Specialty Equipment Companies not covered by a collective bargaining agreement who were hired on or before June 30, 2002
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

\* Employees who were hired at Carrier SEC prior to the sale to UTC became plan participants automatically upon January 1, 2002.

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

  - (i) 1.5% Final Average Earnings x Credited Service  
Minus  
1.5% Primary Social Security benefit x Credited Service (max 33⅓)
  - (ii) \$156 x Credited Service
  - (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 2001 under the SEC plan provisions multiplied by the Special UTC Final Average Earnings divided by SEC Final Average Earnings as of December 31, 2001.

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale SEC earnings. Calendar year with zero earnings are excluded.
- (iv) SEC Final Average Earnings: The average of annual earnings for the highest five non-consecutive years out of the last 15 calendar years of earnings ending with the year 2001. Annual earnings is based on the definition as described under the prior SEC plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):
  - Prior to January 1, 2002: Continuous service as determined under the rules of the prior SEC plan.
  - On or after January 1, 2002: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (vii) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

United Technologies Corporation  
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Credited Service is based on the later of date of hire or January 1, 2002.

3. Normal Retirement

- a. Date: First of the month coincident with or following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2002. The portion of the benefit accrued to December 31, 2001 is reduced according to the provisions of the SEC plan.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2002. The portion of the benefit accrued to December 31, 2001 is reduced according to the provisions of the SEC plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above. The portion of the benefit accrued to December 31, 2001 is reduced according to the provisions of the SEC plan.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing ten years of service and eligible to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Optional lump sum on the accrued benefit as of Feb. 1, 1996 (available to Beverage Air salaried employees)

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).
- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Carrier Specialty Equipment Companies (SEC)  
SEC - Beverage-Air**

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1. Eligibility

- a. Eligible Employees: Hourly management represented employees of the Beverage-Air division not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the first of the month following their date of hire.

2. Accrued Benefit

- a. Formula: \$168.00 x Credited Service
- b. Definitions
  - (i) Continuous Service (service): The total period of a participant's employment, including only calendar years in which the participant completes at least 1,000 hours of service, and including service after the Normal Retirement Date.
  - (ii) Credited Service: Service credits are granted according to the following schedule:

| <u>Hours of Service<br/>During Calendar Year</u> | <u>Fractional Year of<br/>Credited Service Earned</u> |
|--------------------------------------------------|-------------------------------------------------------|
| Less than 180                                    | 0                                                     |
| 180 – 359                                        | .1                                                    |
| 360 – 539                                        | .2                                                    |
| 540 – 719                                        | .3                                                    |
| 720 – 899                                        | .4                                                    |
| 900 – 999                                        | .5                                                    |
| 1,000 – 1,199                                    | .6                                                    |
| 1,200 – 1,399                                    | .7                                                    |
| 1,400 – 1,599                                    | .8                                                    |
| 1,600 – 1,799                                    | .9                                                    |
| 1,800 or more                                    | 1.0                                                   |

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65 and completes 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 3 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 6.0% per year for each of the first five years the benefit commencement precedes age 65, and 4.8% per year for each year the benefit commencement precedes age 60.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced as in 4.b. above.

7. Disability Benefit

- a. Eligibility: Totally and permanently disabled after completing five years of service.
- b. Benefit: The accrued benefit at disability reduced according to the following table for commencement prior to the Normal Retirement Date:

| <u>Age on Commencement Date</u> | <u>Percentage Reduction</u>                                             |
|---------------------------------|-------------------------------------------------------------------------|
| On or after ages 60 to 65       | 6.0% per year for each year the commencement date precedes 65           |
| On or after ages 55 to 60       | 30%, plus 4.8% per year for each year the commencement date precedes 60 |
| On or after ages 50 to 55       | 54%, plus 3.6% per year for each year the commencement date precedes 55 |
| On or after ages 45 to 50       | 72%, plus 2.4% per year for each year the commencement date precedes 50 |
| On or after ages 40 to 45       | 84%, plus 1.2% per year for each year the commencement date precedes 45 |
| Before age 40                   | 90%                                                                     |

The benefit is payable for life until the participant ceases to be disabled.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable.
- b. Benefit: A 50% spouse's benefit is payable, and payment commences when the participant would have attained age 65, or age 55, but reduced as described in 4.b. above.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 15 year certain and continuous annuity
- (iv) 100% contingent annuity
- (v) 75% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump sum

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Carrier Specialty Equipment Companies (SEC)  
SEC – Taylor Company and World Dryer**

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1. Eligibility

- a. Eligible Employees: Hourly management represented employees of the Taylor Company and World Dryer divisions not covered by a collective bargaining agreement.
- b. Participation Requirements: Eligible Employees become participants on the first of the month following their date of hire.

2. Accrued Benefit

a. Formula:

- (i) Taylor Company: Benefit level (effective July 1, 2011) from the table below times years of Credited Service:

| <u>Years of Credited Service</u> | <u>Annual Benefit Amount*</u> |
|----------------------------------|-------------------------------|
| 1 – 10                           | \$ 330.00                     |
| 10 – 20                          | 360.00                        |
| Over 20                          | 384.00                        |

\* The benefit levels will increase to:

\$354/384/408 on July 1, 2012

\$378/408/432 on July 1, 2013

The future levels are not considered for the 2011 ERISA valuation.

- (ii) World Dryer: Benefit level from the table below times years of Credited Service:

| <u>Period of Credited Service*</u> | <u>Annual Benefit Amount</u> |
|------------------------------------|------------------------------|
| Prior to January 1, 1985           | \$ 36.00                     |
| After January 1, 1985              | 156.00                       |

\* Combined service maximum of 40 years

b. Definitions

- (i) Continuous Service (service): The total period of a participant's employment, including only calendar years in which the participant completes at least 1,000 hours of service, and including service after the Normal Retirement Date.
- (ii) Credited Service: Service credits are granted according to the following schedule:

| <u>Hours of Service<br/>During Calendar Year</u> | <u>Fractional Year of<br/>Credited Service Earned</u> |
|--------------------------------------------------|-------------------------------------------------------|
| Less than 1,000                                  | 0.0000                                                |
| 1,000 – 1,124                                    | 0.5833                                                |
| 1,125 – 1,274                                    | 0.6667                                                |
| 1,275 – 1,424                                    | 0.7500                                                |
| 1,425 – 1,574                                    | 0.8333                                                |
| 1,575 – 1,724                                    | 0.9167                                                |
| 1,725 or more                                    | 1.0000                                                |

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65 and completes 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 3 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 6% per year for each year the benefit commencement precedes age 65. For the Taylor Company only, the benefit is unreduced if the participant retires on or after the completion of 20 years of service and the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 6% per year for each year the benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Totally and permanently disabled after the attainment of age 45 and the completion of 15 years of service.
- b. Benefit: The greater of the accrued benefit at disability or \$600 a year. The benefit payable for life or until the participant ceases to be disabled. The benefit is not reduced for early payment.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable.
- b. Benefit:
  - (i) A 50% spouse's benefit is payable, and payment commences when the participant would have attained age 65, or age 55, but reduced as described in 6.b. above (4.b. above if eligible for early retirement).

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 10 year certain and continuous annuity
- (ii) 100% contingent annuity
- (iii) 75% contingent annuity
- (iv) 66-2/3% contingent annuity
- (v) 50% contingent annuity
- (vi) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Fire & Security  
Onity**

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1. Eligibility

- a. Eligible Employees: Salaried employees of United Technologies Corporation - Fire & Security who were covered under the Onity, Inc. Pension Plan or were hired after November 1, 2004.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service
  - Employees who were hired at Onity prior to the sale to UTC became plan participants automatically upon November 1, 2004.

2. Accrued Benefit

- a. Formula: Cash balance account, equal to the sum of (i) and (ii), plus (iii), if applicable:
- (i) Pay Credits: Upon becoming an eligible participant, pay credits accrue from the later of date of hire or January, 1 2005. Pay credits are added to the cash balance account at the end of each month and are expressed as a percentage of monthly earnings. Pay credits are based on attained age as of December 31 of the current year according to the table below:

| <u>Age as of<br/>December 31</u> | <u>Pay Credit as<br/>Percent of Earnings</u> |
|----------------------------------|----------------------------------------------|
| Up to age 30                     | 3%                                           |
| Age 30 to 34                     | 4%                                           |
| Age 35 to 39                     | 5%                                           |
| Age 40 to 44                     | 6%                                           |
| Age 45 to 49                     | 7%                                           |
| Age 50 and above                 | 8%                                           |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12$  [or  $(1+i)^{(1/12)}-1$ ] of the annual interest rate in effect for the year. The annual interest rate is set each January 1 and is based on the average yield on 30-year Treasury Bonds during the month of November of the prior year. Interest credits continue until the date payments begin.
- (iii) Prior Plan Frozen Benefit: The frozen benefit accrued as of December 31, 2004 under the Onity, Inc. Pension Plan.

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b. Definitions

- (i) Earnings: Total compensation including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iii) Continuous Service (service):  
Prior to November 1, 2004: Continuous service is equal to credited service earned under the prior Onity, Inc. Pension Plan  
On or after November 1, 2004: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (iv) Credited Service: Continuous Service, but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for layoffs occurring after December 31, 2004, any period of time following the date of layoff.
- (v) Annuitization Basis (to convert cash balance account to life annuity): The annuitization basis is set each January 1 for the year, and is based on the IRS 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.

Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan. This benefit will be reduced 6% per year prior to age 65 commencement.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: Cash balance account converted to an equivalent annuity payable monthly, or a lump sum payment option equal to the cash balance account.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: Cash balance account at termination, increased with accumulated monthly interest credits to the date payments commence, converted to an equivalent annuity payable monthly, or else a lump sum payment option equal to the cash balance account. A participant can commence payment of the benefit on the first day of any month following termination.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Cash balance account continues to earn pay credits, using base earnings at the date of disability, as well as interest credits during the period of disability, but not beyond the Normal Retirement Date. The cash balance account can be paid at any time, but, once paid, the pay credits and the interest credits will stop.  
Former Onity participants will also receive their frozen benefit accrued under the Onity, Inc. Pension Plan, payable under the early or normal retirement provisions of the Onity, Inc. Pension Plan, provided the participant has commenced their cash balance.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: If the participant dies after becoming vested, the spouse or beneficiary will receive the full account balance if the death occurs before the cash balance payments are scheduled to begin. The spouse can elect an annuity or to defer payment to as late as when the participant would have attained age 65.  
Former Onity participants will also receive their benefit accrued as of December 1, 2004, under the Onity, Inc. Pension Plan provisions, payable as a 50% contingent annuity, as early as the participant's earliest retirement date.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants
- (viii) Lump-Sum Payment

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Fire & Security  
World Headquarters**

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1. Eligibility

- a. Eligible Employees: Employees of the Chubb World Headquarters not covered by a collective bargaining agreement who were hired on or before June 30, 2002 in United Technologies Corporation.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit (a, b, or c)

- a. Formula (Aerospace Group): The greatest of (i), (ii) or (iii) below:

For employees who elected the cash balance formula during My Pension My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-78 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-77 Credited Service} / \text{Aerospace Group continuous service}$
- (ii)  $1.5\% \text{ Final Average Earnings} \times \text{pre-78 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-77 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-77 Credited Service in excess of 20}$   
Minus (a) or, for participants with pre-91 Credited Service, (b) if less
  - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$
  - (b)  $50\% \text{ Primary Social Security benefit} \times \text{Credited Service} / \text{Aerospace Group continuous service}$
- (iii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of participation in the Aerospace Group and end at the date of termination.

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b. Formula (Carrier A): : The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $1.3\% \text{ Final Average Earnings} \times \text{pre-91 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-90 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-90 Credited Service in excess of 20}$

Minus (a) + (b) or, (c) if less

- (a)  $30\%/35 \times \text{Primary Social Security benefit} \times \text{Social Security early retirement factor at greater of age 62 or actual age} \times \text{pre-91 Credited Service (max 35)}$

- (b)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-90 Credited Service}$

- (c)  $50\% \text{ Primary Social Security benefit}$

- (ii)  $\$156 \times \text{Credited Service}$

For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

c. Formula (Otis Salaried): The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-80 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-79 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-79 Credited Service in excess of 20}$

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

- (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service (max } 33\text{-}1/3\text{)}$

- (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service} / \text{continuous service}$

- (ii)  $\$312 \times \text{Credited Service}$

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

d. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity
- (iii) 100% contingent annuity
- (iv) 75% contingent annuity
- (v) 66-2/3% contingent annuity
- (vi) 50% contingent annuity
- (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Fire & Security  
Kidde Commercial Grandfathered**

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1. Eligibility

- a. Eligible Employees: Salaried employees of Kidde Commercial, not covered by a collective bargaining agreement, who were transferred to UTC from Kidde as of December 1, 2005

b. Participation Requirements:

Effective January 1, 2002, plan participation in the former Kidde pension plan was frozen. Participants must have attained age 40, earned five years of vesting service and the sum of their age and service must have equaled or exceeded 55 in order to continue accruing any benefits. Participants who chose to participate in the defined contribution plan or did not meet the previous requirements had their benefits frozen at that time.

Non-grandfathered employees are not eligible for pension benefits under this plan.

2. Accrued Benefit

- a. Formula: Benefits are accrued under the former Kidde pension plan provisions. Benefit is (i) plus (ii) for all participants, except Badger Hourly. For those participants, see (iii).

- (i)  $[1.0\% \text{ Final Average Earnings} \times \text{Credited Service} + 0.65\% \text{ Final Average Earnings in excess of Covered Compensation}] \times \text{lesser of Projected Credited Service and 25 years} \times [(\text{Credited Service from January 1, 2002}) / \text{Projected Credited Service}]$ .

Projected Credited Service can extend beyond December 31, 2014, and begins on December 1, 1989.

- (ii) Prior plan benefit accrued as of December 31, 2001, calculated under the prior plan formula(s), will be determined and paid under the rules of that prior formula.
- (iii)  $\$126 \times \text{Credited Service}$

b. Definitions

- (i) Earnings: Total of all compensation paid to the employee as reported on IRS Form W-2 including salary deferrals but excluding severance payments. Earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Final Average Earnings: Average Earnings for the highest 60 consecutive months out of the last 120 months of employment
- (iii) Covered Compensation: Monthly average of the Taxable Wage Bases in effect for each calendar year during the 35 year period ending with the calendar year in which the participant attains Social Security Retirement age
- (iv) Continuous Service (vesting service): Years and months of continuous employment from the later of date of hire or date company became a participating company

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(v) Credited Service: Continuous Service

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3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 5 years of service, but before Normal Retirement Date. For Badger Hourly participants, first of the month following retirement after the attainment of age 60 and the completion of 15 years of service, but before Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes age 65. For Badger Hourly participants, the accrued benefit at retirement payable monthly reduced 7.2% per year for each year benefit commencement precedes age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date
- b. Benefit: The accrued benefit at retirement payable monthly

6. Vested Termination

- a. Eligibility: Termination of employment, but before becoming eligible for normal or postponed retirement. (All participants became 100% vested on January 1, 2002.)
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 4.0% per year for each of the first five years and 6.0% for each of the next five years that benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after completing five years of service and, either qualified to receive Social Security disability benefits or entitled to receive disability benefits under the company's LTD program.
- b. Benefit: The benefit will continue to accrue during disability at the most recent rate of pay prior to disablement.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: 50% of the monthly pension benefit as of the date of death, reduced for the joint and survivor election and reduced for payment as early as the participant's early retirement date.

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9. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity for married participants

b. Optional Forms:

- (i) 5 year certain and continuous annuity
- (ii) 10 year certain and continuous annuity (this option is not available to Ranson Hourly employees)
- (iii) 15 year certain and continuous annuity (available to Ranson Hourly employees only)
- (iv) 20 year certain and continuous annuity (available to Ranson Hourly employees only)
- (v) 100% contingent annuity
- (vi) 75% contingent annuity
- (vii) 66 2/3% contingent annuity
- (viii) 50% contingent annuity
- (ix) Life annuity for married participants
- (x) Pre-1996 benefit is optional as a lump sum (available to Angus employees only)

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Hamilton Sundstrand Commercial**

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1. Eligibility

- a. Eligible Employees: Salaried employees of the Sundstrand Industrial divisions, not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements\*: Eligible Employees become participants on the earlier of:
- January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service
- \* Employees who were hired at Sundstrand Industrial prior to the sale to UTC became plan participants automatically upon January 1, 2000.

2. Accrued Benefit

a. Formula:

The greater of (i) or (ii), plus (iii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $2\% \text{ Final Average Earnings} \times \text{Credited Service (max 20 years)} + 1\% \text{ Final Average Earnings} \times \text{Credited Service in excess of 20 years}$

Minus

$1.5\% \text{ Primary Social Security benefit} \times \text{Credited Service (max 33-1/3)}$

- (ii) Graded benefit level of \$276 for Final Average Earnings under \$18,000 to \$360 for Final Average Earnings of \$30,000 and over x Credited Service.

- (iii) For participants hired prior to sale date:

Benefit accrued as of December 31, 1999 under the Sundstrand Industrial plan provisions multiplied by the Special UTC Final Average Earnings divided by Sundstrand Final Average Earnings as of December 31, 1999.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iii) Special UTC Final Average Earnings: The average annual earnings for the highest three consecutive plan years in the last ten plan years before termination. Last ten plan years may include pre-sale Sundstrand earnings. Calendar years with zero earnings are excluded.
- (iv) Sundstrand Final Average Earnings: The average annual earnings for the three plan years 1997, 1998 and 1999. Annual earnings is based on the Sullair definition as described under the prior Sundstrand Plan.
- (v) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (vi) Continuous Service (service):  
Prior to January 1, 2000: Continuous service as determined under the rules of the prior Sundstrand Industrial plan.  
On or After January 1, 2000: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or a military leave).
- (vii) Credited Service: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

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Credited Service is based on the later of the date of hire or January 1, 2000.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year the benefit commencement date precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62. This reduction is only applicable to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Industrial plan.
- c. Special Age 65 Benefits: Only participants who were eligible to retire on January 1, 2000, and were hired prior to January 1, 1992. If the participant retires after age 55 and completing 5 years of service, \$9.70 per month payable at age 65.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year the benefit commencement date precedes the Normal Retirement Date, applicable only to the portion of the benefit that began accruing as of January 1, 2000. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Industrial plan.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service is greater than or equal to 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in section 4.b. above. The portion of the benefit accrued to December 31, 1999 is reduced according to the provisions of the Sundstrand Industrial plan.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service and qualified to receive Social Security benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service accrue to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuity benefit is payable and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants
  - (viii) Partial lump sum\*

\* Participants may elect to receive a lump sum payment for the Pre-92 Sundstrand portion of their benefit, at termination or retirement.

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation**  
**Employee Retirement Plan (UTC Non-Rep)**  
**Otis Salaried**

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1. Eligibility

- a. Eligible Employees: Employees of the Otis Salaried Group not covered by a collective bargaining agreement who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 (or as of a later cash balance effective date, where applicable).

- (i)  $\text{Pre-80 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-79 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-79 Credited Service in excess of 20}$

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

- (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service (max 33-1/3)}$

- (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service} / \text{continuous service}$

- (ii)  $\$312 \times \text{Credited Service}$

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

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b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service):  
Prior to January 1, 1980: Continuous Service as determined under the rules of the prior plan.  
On or After January 1, 1980: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability or layoff not exceeding one year (two years for a child care leave or, if re-employed, two years for a layoff or military leave).
- (v) Credited Service:  
Prior to January 1, 1980: Service as determined under the terms of the prior plan.  
On or After January 1, 1980: Continuous Service but excluding:
  - a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

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4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings in effect at disability are assumed to remain constant to Normal Retirement Date. A participant is eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Otis Salaried Local Rep**

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1. Eligibility

- a. Eligible Employees: Employees of the Otis Salaried Local Represented Group also covered by the National Elevator Industry (NEI) Multi-Employer Pension Plan who were hired on or before June 30, 2002.
- b. Participation Requirements: Eligible Employees become participants on the earlier of:
  - January 1 coincident with or following age 21
  - July 1 coincident with or following age 20 & 1/2 and 6 months of eligibility service

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii) less (iii), but not less than (iv) below:

For employees who elected the cash balance formula during My Pension.My Choice., the accrued benefit below was frozen as of April 1, 2003 ( or as of a later cash balance effective date, where applicable), except that the multiplier in (iii) will continue to be updated as the multiplier under the NEI Pension Plan changes over time.

  - (i)  $\text{Pre-80 Benefit \%} \times \text{Final Average Earnings} + 2\% \text{ Final Average Earnings} \times \text{post-79 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-79 Credited Service in excess of 20}$ 

Minus (a) or, for participants with pre-91 Credited Service, (b) if less

    - (a)  $1.5\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service (max 33-1/3)}$
    - (b)  $50\% \text{ Primary Social Security benefit} \times \text{post-79 Credited Service} / \text{continuous service}$
  - (ii)  $\$312 \times \text{Credited Service}$
  - (iii)  $\$1,176 \times \text{Credited Service (paid by NEI Pension Plan)}$
  - (iv)  $1/3 \text{ of the participant's contributions with interest under the Supplemental Contributory Plan.}$

For purposes of determining the 50% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of hire and end at the date of termination.

For purposes of determining the 1.5% Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the later of age 22 or 1951 and end at the date of retirement. For vested terminations, the Primary Social Security benefit earnings continue at the rate in effect before termination through age 65 (age 55 for the Rule of 65 benefit).

b. Definitions

- (i) Annual Earnings: Total annual compensation as a participant including overtime, bonuses, performance-related awards, shift differential payments, pre-tax contributions to the UTC Savings Plan, and pre-tax contributions for UTC Choice benefits, but excluding special awards (other than performance awards), foreign service premiums and allowances, stock option benefits, company contributions to other benefit plans, pay in lieu of vacation, severance pay, reimbursements, payments related to relocation expenses, amounts credited under a deferred compensation arrangement, or payments received instead of these items. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010). Base pay in the first and last partial year of participation is annualized. If applicable, earnings on or after the cash balance effective date are excluded.
- (ii) Final Average Earnings: The average Annual Earnings for the highest five consecutive calendar years in the last ten calendar years before termination. Calendar years with zero earnings are excluded.
- (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (iv) Continuous Service (service):  
Prior to January 1, 1980: Continuous service as determined under the rules of the prior plan.  
On or After January 1, 1980: The total period of a participant's employment, including service after Normal Retirement Date, as well as an approved leave of absence, illness, disability, or layoff not exceeding one year (two years for a child care leave, or if re-employed, two years for a layoff or military leave).
- (v) Credited Service:  
Prior to January 1, 1980: Service as determined under the terms of the prior plan.  
On or After January 1, 1980: Continuous Service but excluding:
- a break in service which exceeds 30 days,
  - leaves of absence without compensation in excess of one year,
  - service counted as Credited Service under any other defined benefit retirement plan of the company, and
  - for participants who elected the cash balance formula during My Pension.My Choice., Continuous Service on or after the cash balance effective date

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement payable monthly.

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4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 2.4% per year for each year benefit commencement precedes age 62. The benefit is unreduced if the participant retires on or after the attainment of age 62.

5. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly.

6. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for early, normal or postponed retirement.
- b. Benefit: The accrued benefit at termination payable monthly commencing on the Normal Retirement Date. A participant can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit reduced 5% per year for each year benefit commencement precedes the Normal Retirement Date.
- c. Rule of 65 Benefit: Participants terminating employment between ages 50 and 55 whose age plus service equals at least 65 are eligible to receive benefits commencing at age 55, with the benefit reduced as described in 4.b. above.

7. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date. Final Average Earnings and Social Security benefits in effect at disability are assumed to remain constant to Normal Retirement Date. Participants are eligible to receive a benefit commencing at early retirement, reduced as described in 4.b. above.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefits are payable:
- b. Benefit:
  - (i) If the participant dies after becoming eligible for an early, normal or postponed retirement benefit, a 100% contingent annuitant benefit is payable, and payment commences immediately, reduced as described in 4.b. above, or if the contingent annuitant is the spouse, as late as when the participant would have attained age 65.
  - (ii) If the participant dies after completing 10 years of service and is married, but does not meet the requirements of (i) above, a 100% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.
  - (iii) If the participant dies after becoming vested and is married, but does not meet the requirements of (i) or (ii) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 55, reduced as described in 6.b. above, or age 65.

9. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 5 year certain and continuous annuity
  - (ii) 10 year certain and continuous annuity
  - (iii) 100% contingent annuity
  - (iv) 75% contingent annuity
  - (v) 66-2/3% contingent annuity
  - (vi) 50% contingent annuity
  - (vii) Life annuity for married participants

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

- c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
Rocketdyne Grandfathered Benefits**

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1. Eligibility

- a. Eligible Employees: Salaried employees of Rocketdyne not covered by a collective bargaining agreement, who were transferred to UTC from Boeing as of August 2, 2005

- b. Participation Requirements:

One year after becoming a covered employee. Heritage Boeing North America employees hired prior to July 1, 1999 became participants as of their hire date.

Employees who were hired at Rocketdyne prior to the sale to UTC became plan participants automatically upon August 2, 2005. Employees hired at Rocketdyne after August 2, 2005 participate under the Cash Balance plan applicable for UTC salaried employees.

2. Accrued Benefit

- a. Formula: Benefits are accrued under the former Boeing Company Pension Value Plan provisions (Boeing cash balance plan formula) until 48 months after the sale date, or August 31, 2009. After August 31, 2009, participants accrue benefits under the UTC Cash Balance plan applicable for salaried employees.

Cash balance account is equal to the sum of (i) and (ii). Prior plan benefit under (iii) also applies, if applicable:

- (i) Pay Credits: Beginning on the transition date and each plan year thereafter, benefit credits as a percentage of Pensionable pay will be allocated to each participant's cash balance account. The percentage is based on the participant's attained age at the end of the plan year as follows:

| Age as of<br><u>December 31</u> | Pay Credit as<br><u>Percent of Earnings</u> |
|---------------------------------|---------------------------------------------|
| Up to age 30                    | 3%                                          |
| Age 30 to 34                    | 4%                                          |
| Age 35 to 39                    | 5%                                          |
| Age 40 to 44                    | 7%                                          |
| Age 45 to 49                    | 9%                                          |
| Age 50 and above                | 11%                                         |

Pay credits stop accruing when the participant retires, terminates or dies, that is, when the participant's credited service ends.

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- (ii) Interest Credits: Beginning on the transition date and each plan year thereafter, simple daily interest will be credited to the participant's account balance at the beginning of the year to the earlier of benefit commencement date and the end of the plan year. The interest rate will be the average 30-year Treasury bond yield in effect during November of the prior plan year, limited to a minimum of 5.25% and maximum of 10%.
- (iii) If the Participant participated in the former Boeing plan formula (pre-cash balance) prior to the Transition Date, the accrued benefit(s) under the prior plan formula(s), will be determined and paid under the rules of that prior formula. Benefits under the prior plan formula(s) are generally increased by a ratio of Indexing Pay divided by Indexing Base to reflect future pay increases.

b. Definitions

- (i) Pensionable Pay: Annual base pay, plus incentive compensation, plus lump-sum merit pay. Pensionable Pay is limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$245,000 for 2010).
- (ii) Indexing Base: Annual base pay rate as of the transition date or cash balance entry date, if earlier.
- (iii) Indexing Pay: Highest annual base pay rate on any date on or after the transition date
- (iv) Transition Date: The date cash balance accruals begin, which is the later of date of hire and July 1, 1999
- (v) Continuous Service (vesting service):  
Prior to August 2, 2009: Continuous service is equal to credited service earned under the prior Rocketdyne plan (Heritage Boeing, BNA, BSS or MDC vesting service as of the transition date, plus elapsed time vesting service after the transition date)
- (vi) Credited Service: Continuous Service
- (vii) Monthly Cash Balance Benefit: The account balance, at retirement, divided by an annuity factor of 132. For terminated vested participants, this annuity factor is increased by 0.4 for each month prior to NRD
- (viii) Minimum Monthly Benefit: \$60 times years of benefit service

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65.
- b. Benefit: Monthly Cash Balance benefit, plus prior plan (pre-cash balance) accrued benefits

4. Early Retirement

- a. Date: First of the month following retirement after the attainment of age 55 and the completion of 10 years of service, or age 50 with 30 years of accumulated benefit service, or age 62 with one year of vesting service, but before Normal Retirement Date.
- b. Benefit: Monthly Cash Balance Benefit plus prior (pre-cash balance) accrued benefits.  
The transition (pre-cash balance) Boeing monthly benefit will be reduced 2% for each year of payment before age 60. The transition BNA monthly benefit will be unreduced if age plus vesting service is at least 85, otherwise reduced 7.2% for each year of payment before age 60 (6.0% per year for Certain and Electronics Salaried benefits). The transition MDC monthly benefits will be unreduced after attaining age 50 with 30 years of accumulated benefit service or after attaining age 55 with age plus vesting service at least 85; otherwise reduced 2.5% for each year of payment before the earlier of age 62 or when age plus vesting service equal to 85. The minimum monthly benefit is reduced 4.0% for each year of payment before age 65.

5. Vested Termination

- a. Eligibility: Termination of employment after completing three years of service, but before becoming eligible for normal or postponed retirement.
- b. Benefit: Monthly Cash Balance benefit, plus prior plan accrued benefits reduced by 6% for each year of payment before the participant's NRD

6. Disability Benefit

- a. Eligibility: Disability after completing ten years of service and qualified to receive Social Security disability benefits.
- b. Benefit: Monthly Cash Balance benefit, plus prior plan accrued benefits unreduced for early commencement

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant (or former participant) dies before receiving a retirement benefit, the following survivor benefit is payable:
- b. Benefit: 50% (100% if eligible to retire) of the monthly pension benefit as of the date of death, reduced for the joint and survivor election and reduced for payment as early as the participant's early retirement date, but not less than the monthly protected death benefit. The protected death benefit is 0.825% of average monthly salary times benefit service as of January 1, 1999. In-service death is company-paid; non-spouse receive an immediate lump sum of the protected death benefit

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8. Form of Payment

a. Normal Form:

- (i) Life annuity for unmarried participants
- (ii) An actuarially reduced 50% joint and survivor annuity with pop-up for married participants

b. Optional Forms:

- (i) 10 year certain and continuous annuity
- (ii) 100% contingent annuity\*
- (iii) 75% contingent annuity\*
- (iv) 50% contingent annuity\*
- (v) Life annuity for married participants
- (vi) Social security level income option

The normal form of payment is converted to an optional form using 6% interest rate and GAR 94 Mortality (unisex).

\* If the spouse is the beneficiary, there is a pop-up feature in these options.

c. Automatic Lump Sum Payment: for participants whose total benefit has a lump sum value of \$5,000 or less under 417(e) government mandated basis.

**United Technologies Corporation**  
**Employee Retirement Plan**  
**EIN: 06-0570975      PN: 001**  
**Schedule SB - Line 26 - Schedule of Active Participant Data**

**Total Non-Rep**

| Attained Age |                  | Total Years of Credited Service |        |        |                  |          |          |          |          |          |         |
|--------------|------------------|---------------------------------|--------|--------|------------------|----------|----------|----------|----------|----------|---------|
|              |                  | <1                              | 1 to 4 | 5 to 9 | 10 to 14         | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |
| <25          | Count            | 36                              | 238    | 18     | 0                | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 39,809                          | 53,978 |        |                  |          |          |          |          |          |         |
| 25 to 29     | Count            | 54                              | 1,558  | 829    | 17               | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 51,763                          | 66,071 | 70,462 |                  |          |          |          |          |          |         |
| 30 to 34     | Count            | 50                              | 1,072  | 1,378  | 477              | 14       | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 64,882                          | 76,028 | 78,114 | 85,881           |          |          |          |          |          |         |
| 35 to 39     | Count            | 45                              | 961    | 1,114  | 1,031            | 240      | 1        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 88,098                          | 85,530 | 87,638 | 92,573           | 101,152  |          |          |          |          |         |
| 40 to 44     | Count            | 41                              | 897    | 1,110  | 991              | 496      | 383      | 17       | 0        | 0        | 0       |
|              | Average Earnings | 91,096                          | 90,966 | 93,186 | 99,038           | 103,529  | 99,143   |          |          |          |         |
| 45 to 49     | Count            | 37                              | 947    | 1,202  | 1,093            | 590      | 1,376    | 828      | 29       | 0        | 1       |
|              | Average Earnings | 74,401                          | 95,709 | 94,608 | 99,493           | 102,536  | 110,547  | 111,565  | 77,500   |          |         |
| 50 to 54     | Count            | 34                              | 836    | 1,056  | 1,104            | 608      | 1,249    | 1,696    | 928      | 35       | 0       |
|              | Average Earnings | 78,907                          | 93,300 | 92,879 | 96,961           | 102,146  | 104,668  | 118,330  | 107,592  | 84,339   |         |
| 55 to 59     | Count            | 15                              | 549    | 701    | 697              | 413      | 819      | 918      | 1,491    | 236      | 8       |
|              | Average Earnings |                                 | 86,746 | 86,214 | 93,178           | 95,683   | 99,058   | 105,055  | 114,408  | 100,128  |         |
| 60 to 64     | Count            | 6                               | 240    | 386    | 337              | 239      | 359      | 417      | 448      | 299      | 149     |
|              | Average Earnings |                                 | 85,254 | 87,802 | 88,982           | 88,204   | 95,567   | 96,931   | 104,836  | 116,553  | 102,175 |
| 65 to 69     | Count            | 1                               | 52     | 135    | 107              | 55       | 75       | 63       | 70       | 48       | 91      |
|              | Average Earnings |                                 | 76,453 | 96,942 | 90,091           | 90,585   | 87,756   | 95,721   | 104,562  | 109,302  | 114,436 |
| 70 & up      | Count            | 0                               | 14     | 21     | 16               | 10       | 11       | 11       | 5        | 2        | 19      |
|              | Average Earnings |                                 |        | 95,327 |                  |          |          |          |          |          |         |
| Average Age: |                  | 47.56                           |        |        | Average Service: |          |          | 14.77    |          |          |         |

**United Technologies Corporation**  
**Employee Retirement Plan**  
**EIN: 06-0570975      PN: 001**  
**Schedule SB - Line 26 - Schedule of Active Participant Data**

**Total Non-Rep Cash Balance**

| Attained Age |                      | Total Years of Credited Service |        |        |                  |          |          |          |          |          |         |
|--------------|----------------------|---------------------------------|--------|--------|------------------|----------|----------|----------|----------|----------|---------|
|              |                      | <1                              | 1 to 4 | 5 to 9 | 10 to 14         | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |
| <25          | Count                | 9                               | 202    | 18     | 0                | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance |                                 | 4,456  |        |                  |          |          |          |          |          |         |
| 25 to 29     | Count                | 27                              | 1,432  | 784    | 8                | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,084                           | 6,777  | 11,633 |                  |          |          |          |          |          |         |
| 30 to 34     | Count                | 26                              | 984    | 1,285  | 290              | 5        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,663                           | 10,130 | 16,730 | 24,165           |          |          |          |          |          |         |
| 35 to 39     | Count                | 31                              | 876    | 1,019  | 595              | 95       | 1        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 2,749                           | 14,137 | 24,421 | 30,695           | 33,584   |          |          |          |          |         |
| 40 to 44     | Count                | 28                              | 827    | 998    | 438              | 155      | 63       | 2        | 0        | 0        | 0       |
|              | Average Cash Balance | 5,260                           | 18,617 | 32,058 | 39,418           | 36,022   | 36,596   |          |          |          |         |
| 45 to 49     | Count                | 22                              | 839    | 1,040  | 383              | 171      | 276      | 87       | 4        | 0        | 0       |
|              | Average Cash Balance | 4,851                           | 22,223 | 38,457 | 44,662           | 40,230   | 61,585   | 57,466   |          |          |         |
| 50 to 54     | Count                | 14                              | 734    | 920    | 310              | 136      | 281      | 222      | 97       | 5        | 0       |
|              | Average Cash Balance |                                 | 24,529 | 43,813 | 49,749           | 56,064   | 71,649   | 89,006   | 98,098   |          |         |
| 55 to 59     | Count                | 10                              | 476    | 618    | 175              | 85       | 183      | 136      | 151      | 28       | 1       |
|              | Average Cash Balance |                                 | 24,273 | 44,157 | 59,291           | 51,662   | 87,752   | 91,649   | 114,248  | 110,626  |         |
| 60 to 64     | Count                | 5                               | 209    | 339    | 86               | 49       | 70       | 41       | 28       | 21       | 8       |
|              | Average Cash Balance |                                 | 23,429 | 45,109 | 58,559           | 59,322   | 72,433   | 90,583   | 109,949  | 155,100  |         |
| 65 to 69     | Count                | 1                               | 47     | 111    | 30               | 10       | 10       | 10       | 8        | 4        | 4       |
|              | Average Cash Balance |                                 | 21,294 | 51,569 | 69,809           |          |          |          |          |          |         |
| 70 & up      | Count                | 0                               | 7      | 16     | 2                | 3        | 2        | 0        | 0        | 0        | 1       |
|              | Average Cash Balance |                                 |        |        |                  |          |          |          |          |          |         |
| Average Age: |                      |                                 | 47.62  |        | Average Service: |          | 14.83    |          |          |          |         |

## **Schedule SB - Statement by Enrolled Actuary**

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Plan Sponsor</b>      | United Technologies Corporation |
| <b>EIN/PN</b>            | 06-0570975 / 001                |
| <b>Plan Name</b>         | UTC Employee Retirement Plan    |
| <b>Valuation Date</b>    | January 1, 2012                 |
| <b>Enrolled Actuary</b>  | Jay Mitchell, F.S.A             |
| <b>Enrollment Number</b> | 11-05718                        |

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of the Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

United Technologies Corporation  
Employee Retirement Plan  
EIN: 06-0570975 PN:001  
Schedule SB, Part V – Summary of Plan Provisions

| Plan                     | Changes                                                                                                                                                                                                                                                                                                                              | Effective Date |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Non-Rep:                 |                                                                                                                                                                                                                                                                                                                                      |                |
| All Subplans             | All final average earnings related benefits under the Non-Rep Plan will be frozen effective December 31, 2014. Affected participants will be eligible to continue to participate in the Plan under the UTC 3% - 8% Cash Balance Plan beginning January 1, 2015. This change will first be reflected in the 2015 ERISA PPA valuation. | 01/01/2015     |
| Carrier SEC Taylor (HMR) | Monthly benefit level increased to \$29.50 for up to 10 years of service, \$32.00 for 10 to 20 years of service and \$34.00 for over 20 years of service<br><br>* Future increase also effective as of 7/1/2013 (ultimate benefit levels of \$31.50 / \$34.00 / \$36.00). Not reflected for 2012 ERISA valuation.                    | 07/01/2012*    |