

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information			
1a Name of plan	UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN		1b Three-digit plan number (PN) ▶	001
			1c Effective date of plan	07/01/1941
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	UNITED TECHNOLOGIES CORPORATION		2b Employer Identification Number (EIN)	06-0570975
	UTC BUILDING ONE FINANCIAL PLAZA HARTFORD, CT 06101		2c Sponsor's telephone number	860-728-7000
			2d Business code (see instructions)	336410

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.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	FREDERIC DAUSSAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	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)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
4 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: a Sponsor's name		3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>	
5 Total number of participants at the beginning of the plan year		5	173489
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).			
a Active participants		6a	37068
b Retired or separated participants receiving benefits		6b	70939
c Other retired or separated participants entitled to future benefits		6c	50577
d Subtotal. Add lines 6a , 6b , and 6c		6d	158584
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	11529
f Total. Add lines 6d and 6e		6f	170113
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	71
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>5</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 UNITED TECHNOLOGIES CORPORATION	D Employer Identification Number (EIN) 06-0570975

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions 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.
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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
06-1050034	93629	000105		01/01/2013	12/31/2013

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).
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(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) 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) 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) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) 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** 96314327**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** 112934468**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 5171469(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 5171469**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 118105937**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 20237496(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)** 1554114

▶ ANNUITY GUARANTEE FEE

(5) Total deductions **7e(5)** 21791610**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 96314327

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:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
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.....	10b	

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. ▶

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2013 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning **01/01/2013** and ending **12/31/2013**

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

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions 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.
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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	080070-A		01/01/2013	12/31/2013

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) 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) 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) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) 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** 3403605**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** 3031074**c** Additions: (1) Contributions deposited during the year **7c(1)** 516759(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 111713(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 628472**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 3659546**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 231460(2) Administration charge made by carrier **7e(2)** 24481(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 255941**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 3403605

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:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
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.....	10b	

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. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions 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.
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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		01/01/2013	12/31/2013

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) 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) 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) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) 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	2109036
5 Current value of plan's interest under this contract in separate accounts at year end	5	16436073

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. Specify nature of costs ▶	6d	

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	2107721
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c Additions: (1) Contributions deposited during the year	7c(1)		
(2) Dividends and credits	7c(2)	1314	
(3) Interest credited during the year	7c(3)	364588	
(4) Transferred from separate account	7c(4)		
(5) Other (specify below)	7c(5)		
▶			

(6) Total additions

7c(6)

365902

d Total of balance and additions (add lines 7b and 7c(6))	7d	2473623
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	198617	
(2) Administration charge made by carrier	7e(2)	26731	
(3) Transferred to separate account	7e(3)	137625	
(4) Other (specify below)	7e(4)	1614	
▶ RISK CHARGE			

(5) Total deductions

7e(5)

364587

f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	2109036
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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:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
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.....	10b	

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. ▶

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2013 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning **01/01/2013** and ending **12/31/2013**

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

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions 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		01/01/2013	12/31/2013

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) 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) 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) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) 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** 3643317**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** 3565733**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 128040(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 128040**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 3693773**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 31961(2) Administration charge made by carrier **7e(2)** 18495(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 50456**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 3643317

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:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
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.....	10b	

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. ▶

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2013 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning **01/01/2013** and ending **12/31/2013**

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

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions 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.
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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
06-1050034	93629	GA-243		01/01/2013	12/31/2013

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) 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) 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) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) 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** 2296499**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** 2423443**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 159076(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 159076**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 2582519**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 154184(2) Administration charge made by carrier **7e(2)** 9836(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)** 122000

▶ ANNUITY GUARANTEE FEE

(5) Total deductions **7e(5)** 286020**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 2296499

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:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
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.....	10b	

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. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department 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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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.

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

Part I	Basic Information
1 Enter the valuation date: Month _____ Day _____ Year _____	
2 Assets:	
a Market value	2a <u>17275339658</u>
b Actuarial value	2b <u>16507406641</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>80302</u> (1) Number of participants <u>8317943471</u> (2) Funding Target
b For terminated vested participants.....	3b <u>50573</u> <u>1908175367</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>382927864</u>
(2) Vested benefits	3c(2) <u>4780033582</u>
(3) Total active.....	3c(3) <u>42614</u> <u>5162961446</u>
d Total.....	3d <u>173489</u> <u>15389080284</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
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.....	4b
5 Effective interest rate	5 <u>6.30 %</u>
6 Target normal cost	6 <u>374551263</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.

SIGN HERE		<u>10/01/2014</u>
Signature of actuary		Date
<u>JAY MITCHELL, F.S.A</u>		<u>14-05718</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON PENNSYLVANIA, INC.</u>		<u>203-326-5400</u>
Firm name		Telephone number (including area code)
<u>263 TRESSER BOULEVARD</u> <u>STAMFORD, CT 06901-3226</u>		
Address of the firm		

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) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	1265753144	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	3967562	0
9 Amount remaining (line 7 minus line 8)	1261785582	0
10 Interest on line 9 using prior year's actual return of <u>14.59</u> %	184094516	
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 <u>7.01</u> % except as otherwise provided (see instructions)		
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)	1445880098	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	97.87 %
15 Adjusted funding target attainment percentage	15	107.26 %
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	112.62 %
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 (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by 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?	☐ 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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	374551263	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 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	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	374551263	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	374551263	0	374551263
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>UNITED TECHNOLOGIES CORPORATION</u>	D Employer Identification Number (EIN) <u>06-0570975</u>	

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

a Name of MTIA, CCT, PSA, or 103-12 IE:	<u>UTC MASTER RETIREMENT TRUST</u>
--	------------------------------------

b Name of sponsor of entity listed in (a):	<u>UNITED TECHNOLOGIES CORPORATION</u>
---	--

c EIN-PN <u>13-3064404-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17957298720</u>
---------------------------------------	-------------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE:	<u>SEPARATE ACCOUNT 00041</u>
--	-------------------------------

b Name of sponsor of entity listed in (a):	<u>METROPOLITAN LIFE INSURANCE COMPANY</u>
---	--

c EIN-PN <u>13-5581829-001</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>16436073</u>
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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)
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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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information 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). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 UNITED TECHNOLOGIES CORPORATION	D Employer Identification Number (EIN) 06-0570975

Part I Asset and Liability Statement			
1 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. Round off amounts to the nearest dollar. 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
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	17002619	16436073
(11) Value of interest in master trust investment accounts	1c(11)	17121623935	17957298720
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	124062440	107766784
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	17262688994	18081501577

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	17262688994	18081501577
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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
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	516759	
(B) Participants	2a(1)(B)	84562	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		601321
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	5571613	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		5571613

		(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)		-296170
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		1771893446
(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 income amounts in column (b) and enter total.....	2d		1777770210

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	972339353	
(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)		972339353
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 expense amounts in column (b) and enter total.....	2j		972339353

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		805430857
l Transfers of assets:			
(1) To this plan.....	2l(1)		13381726
(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
c 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	
d 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	
e Was this plan covered by a fidelity bond?	X		90000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g 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	
h 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	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j 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	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n 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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>		<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN				B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 UNITED TECHNOLOGIES CORPORATION				D Employer Identification Number (EIN) 06-0570975	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 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): EIN(s): 06-1050034					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	1535
Part II Funding Information (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)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 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. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c 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)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A					
8 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?..... ☐ Yes ☐ No ☒ N/A					
Part III Amendments					
9 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..... ☐ Increase ☐ Decrease ☐ Both ☒ No					
Part IV ESOPs (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.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
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.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2013 v. 130118					

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:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 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:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

a Enter the number of employers who withdrew during the preceding plan year	16a	
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	16b	

- 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: 23% Investment-Grade Debt: 22% High-Yield Debt: 1% Real Estate: 6% Other: 48%

- 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, 2013 and 2012

(With Independent Auditors' Report Thereon)

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Financial Statements and Supplemental Schedule

December 31, 2013 and 2012

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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 plan benefits as of December 31, 2013 and 2012, and the related statements of changes in net assets available for plan benefits for the years then ended and the statement of accumulated plan benefits as of December 31, 2012, 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, 2013 and 2012, 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, 2013 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 14, 2014

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Investments:		
Plan interest in Master Trust, at fair value, as certified by Trustee (note 7)	\$ 17,957,298,720	17,121,623,935
Investment contracts with Insurance Companies, at contract value, as certified by Insurance Companies (note 6)	107,766,783	124,062,440
Investment in pooled separate accounts, at fair value, as certified by Insurance Companies (note 6)	<u>16,436,073</u>	<u>17,002,619</u>
Net assets available for plan benefits	<u>\$ 18,081,501,576</u>	<u>17,262,688,994</u>

See accompanying notes to financial statements.

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Statements of Changes in Net Assets Available for Plan Benefits for the
Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Additions:		
Investment income:		
Investment income – plan interest in net appreciation, investment advisors’ and trustee’s fees, and investment income of Master Trust, as certified by Trustee (note 7)	\$ 1,793,348,293	1,937,262,218
Interest income – investment contracts, as certified by Insurance Companies (note 6)	5,571,612	6,704,971
Net (depreciation) appreciation in pooled separate accounts, as certified by Insurance Companies (note 6)	<u>(296,170)</u>	<u>839,574</u>
Total investment income	<u>1,798,623,735</u>	<u>1,944,806,763</u>
Employee contributions	84,562	69,240
Employer contributions	<u>516,759</u>	<u>—</u>
Total contributions	<u>601,321</u>	<u>69,240</u>
Total additions	<u>1,799,225,056</u>	<u>1,944,876,003</u>
Deductions:		
Benefit payments	(972,339,353)	(768,320,205)
Administrative expenses	<u>(21,454,847)</u>	<u>(13,026,255)</u>
Total deductions	<u>(993,794,200)</u>	<u>(781,346,460)</u>
Net increase before plan transfers	805,430,856	1,163,529,543
Transfers into Plan	<u>13,381,726</u>	<u>2,219,743,793</u>
Net increase	818,812,582	3,383,273,336
Net assets available for plan benefits:		
Beginning of year	<u>17,262,688,994</u>	<u>13,879,415,658</u>
End of year	<u>\$ 18,081,501,576</u>	<u>17,262,688,994</u>

See accompanying notes to financial statements.

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Statement of Accumulated Plan Benefits

December 31, 2012

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants currently receiving payments

\$ 9,905,468,891

Other participants

9,851,423,711

19,756,892,602

Nonvested benefits

440,527,225

Total actuarial present value of accumulated plan benefits

\$ 20,197,419,827

See accompanying notes to financial statements.

**UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN**

Statement of Changes in Accumulated Plan Benefits for the
Year ended December 31, 2012

Actuarial present value of accumulated plan benefits at beginning of year	\$ 15,463,390,537
Increase (decrease) during the year attributable to:	
Benefits accumulated	415,964,610
Increase for interest due to the decrease in the discount period	708,935,042
Benefits paid	(768,320,205)
Plan amendments	1,926,492
Change in actuarial assumptions (note 4)	1,689,398,997
Merger of Goodrich as of December 31, 2012	2,686,124,354
Net increase	<u>4,734,029,290</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$ 20,197,419,827</u></u>

See accompanying notes to financial statements.

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Notes to Financial Statements

December 31, 2013 and 2012

(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. 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 or other actuarially equivalent annuity.. 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 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

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Notes to Financial Statements

December 31, 2013 and 2012

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 in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

(b) Payment of Benefits

Benefits are recorded when paid.

(c) Use of Estimates

The preparation of financial statements in conformity with 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 actuarial methods and assumptions selected regarding salary rates, employee termination rates, mortality rates and other factors. Actual results could differ from those estimates.

UNITED TECHNOLOGIES CORPORATION
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(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, 2013 and 2012 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, 2013 and 2012, 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 \$49,521 thousand and \$49,525 thousand, respectively. For the years ended December 31, 2013 and 2012, fees paid by the Plan for investment advisory services, trustee and administrative expenses to the Insurance Companies amounted to \$1,635 thousand and \$1,806 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.

(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

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Notes to Financial Statements

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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 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.

UNITED TECHNOLOGIES CORPORATION
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- **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.

(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.

**UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2013 and 2012

The significant actuarial assumptions used in the valuation to determine benefit obligations as of December 31, 2012 were:

	2012
a. Discount rate	3.90% 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, 2012 increased by \$1,689 million due to changes in actuarial assumptions mainly as a result of a decrease in the discount rate assumption from 4.70% at December 31, 2011 to 3.90% at December 31, 2012.

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.

(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 2014 at age 65 is \$4,943 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

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Notes to Financial Statements

December 31, 2013 and 2012

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:

		December 31	
		2013	2012
Immediate participation guarantee funds (contract value)	\$	107,766,783	124,062,440
Separate accounts (fair value)		16,436,073	17,002,619
	\$	<u>124,202,856</u>	<u>141,065,059</u>
		Years ended December 31	
		2013	2012
Interest income	\$	5,571,612	6,704,971
Net (depreciation) appreciation in separate accounts		(296,170)	839,574
	\$	<u>5,275,442</u>	<u>7,544,545</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, 2013 and 2012. 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).

Fair value measurements as of December 31, 2013				
	Level 1	Level 2	Level 3	Fair value
Separate accounts (fixed income)	\$ —	16,436,073	—	16,436,073
Total at fair value	\$ —	16,436,073	—	16,436,073
Fair value measurements as of December 31, 2012				
	Level 1	Level 2	Level 3	Fair value
Separate accounts (fixed income)	\$ —	17,002,619	—	17,002,619
Total at fair value	\$ —	17,002,619	—	17,002,619

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

UNITED TECHNOLOGIES CORPORATION
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Notes to Financial Statements

December 31, 2013 and 2012

credit-worthiness of the issuer. There have been no changes in the methodologies used at December 31, 2013 and 2012, and there were no transfers between levels for the year ended December 31, 2013.

(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 \$833,214 thousand and \$926,445 thousand at December 31, 2013 and 2012, respectively. UTC stock held in the Master Trust represents approximately 3.7% and 4.0% of the Master Trust's Net Assets at December 31, 2013 and 2012, respectively.

UNITED TECHNOLOGIES CORPORATION
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Notes to Financial Statements

December 31, 2013 and 2012

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:

	December 31	
	2013	2012
	(In thousands)	
Assets:		
Short-term instruments:		
Cash and equivalents	\$ 1,933,622	2,009,834
Equity securities, including \$833,214 at 2013 and \$926,445 at 2012 of UTC stock	6,018,810	5,234,111
Common collective trust	2,578,948	2,336,581
Debt securities:		
Corporate debt	6,486,557	6,010,672
U.S. government and related agency obligations	529,231	1,115,839
Derivatives	162,469	27,486
Real estate	1,380,242	1,190,975
Limited partnerships	3,825,492	3,968,316
Other	727,996	640,314
Subtotal	23,643,367	22,534,128
Interest and dividends receivable	97,099	78,356
Other receivables	210,506	176,300
Total assets	23,950,972	22,788,784
Liabilities:		
Other payables	259,732	219,912
Total liabilities	259,732	219,912
Net assets	\$ 23,691,240	22,568,872
Net assets of the Master Trust allocable to the Plan	\$ 17,957,299	17,121,624
Percentage of Plan's interest in the Master Trust	76%	76%

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Notes to Financial Statements

December 31, 2013 and 2012

Master Trust Statement of Changes in Net Assets

	Year ended December 31	
	2013	2012
	(In thousands)	
Additions:		
Interest income	\$ 299,041	254,007
Dividend income	127,743	123,132
Net appreciation in value of invested assets	1,932,533	2,212,487
Other income	74,950	70,796
Total net additions	2,434,267	2,660,422
Deductions:		
Investment advisors' and trustee's fees	(65,312)	(66,325)
Total deductions	(65,312)	(66,325)
Net increase prior to mergers and transfers	2,368,955	2,594,097
Increase due to merger of Goodrich Master Trust	—	2,912,415
Contributions, distributions, and other activity	(1,246,587)	(812,103)
Net increase in net assets	1,122,368	4,694,409
Net assets:		
Beginning of year	22,568,872	17,874,463
End of year	\$ 23,691,240	22,568,872
Net increase prior to transfers allocable to the Plan	\$ 1,793,348	1,937,262
Percentage of Plan's interest in net increase prior to transfer	76%	75%

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Notes to Financial Statements

December 31, 2013 and 2012

During the years ended December 31, 2013 and 2012, the Master Trust's investments (including investments bought and sold, as well as investments held during the year) appreciated (depreciated) as follows:

	Net appreciation (depreciation) in fair value	
	2013	2012
	(In thousands)	
Equity securities	\$ 1,382,591	611,465
Common collective trust	105,423	209,608
Debt securities	(727,347)	310,303
Limited partnerships	190,983	438,932
Derivatives	918,570	541,365
Real estate	62,657	75,193
Other	(344)	25,621
	<u>\$ 1,932,533</u>	<u>2,212,487</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, 2013 and 2012, and there were no transfers between levels for the year ended December 31, 2013.

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, 2013, 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.

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EMPLOYEE RETIREMENT PLAN

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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, 2013 and 2012 (in thousands):

Fair value measurements as of December 31, 2013				
	Level 1	Level 2	Level 3	Total
Cash and equivalents	\$ 577,507	1,356,115	—	1,933,622
Equity:				
Aerospace/Defense	874,087	—	—	874,087
Automotive	178,239	—	—	178,239
Banks	417,439	—	—	417,439
Food and beverage	184,501	—	—	184,501
Chemicals	128,825	—	—	128,825
Computers	160,220	—	—	160,220
Financial services	151,615	—	—	151,615
Electrical components	180,033	—	—	180,033
Oil and gas	398,866	—	—	398,866
Healthcare	119,574	—	—	119,574
Insurance	251,170	—	—	251,170
Telecommunications	227,502	—	—	227,502
Pharmaceuticals	406,971	—	—	406,971
Retail	272,081	—	—	272,081
Software	171,629	—	—	171,629
Other	1,896,058	—	—	1,896,058
Total equity	6,018,810	—	—	6,018,810

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Fair value measurements as of December 31, 2013 (cont.)				
	Level 1	Level 2	Level 3	Total
Common collective trusts:				
Equities	\$ —	1,538,818	—	1,538,818
Cash equivalents	—	478,828	—	478,828
Other	—	561,302	—	561,302
Common collective trusts	—	2,578,948	—	2,578,948
Debt securities:				
Banking and finance	—	999,625	—	999,625
Food, Beverage, and Tobacco	—	234,087	—	234,087
Healthcare	—	590,169	—	590,169
Insurance	—	233,401	—	233,401
Retail	—	359,193	—	359,193
Oil and Gas	—	487,954	—	487,954
Technology	—	242,189	—	242,189
Utilities	—	1,267,225	—	1,267,225
Other	—	2,072,714	—	2,072,714
U.S. government and related agency obligations	435,136	94,095	—	529,231
Total debt	435,136	6,580,652	—	7,015,788
Limited partnerships:				
Private equities	—	1,814,222 (a)	1,962,630 (b)	3,776,852
Other	—	—	48,640 (c)	48,640
Limited partnerships	—	1,814,222	2,011,270	3,825,492
Derivatives	146,797	15,672	—	162,469
Real estate	—	—	1,380,242	1,380,242
Other	4,557	723,439	—	727,996
Total assets at fair value	\$ 7,182,807	13,069,048	3,391,512	23,643,367

- (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 61% of the funds have a life up to 5 years and approximately 39% have a life of 5 years to 10 years. Unfunded commitments total approximately \$676 million.
- (c) Primarily includes real estate funds with quarterly redemption frequency and 60 days' notice.

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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

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Fair value measurements as of December 31, 2012 (cont.)				
	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.

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

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

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December 31, 2013 and 2012

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.

Level 3 Gains and Losses

The following tables set forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the years ended December 31, 2013 and 2012 (in thousands):

	Level 3 Assets 2013			
	Common collective trusts	Limited partnerships	Real estate	Total
Balance at December 31, 2012	\$ —	2,028,714	1,190,975	3,219,689
Realized gains (losses)	—	221,015	(14,783)	206,232
Unrealized gains (losses) relating to instruments still held at the reporting date	—	12,179	109,824	122,003
Purchases	—	247,917	134,226	382,143
Sales	—	(498,555)	(40,000)	(538,555)
Transfer between classifications	—	—	—	—
Balance at December 31, 2013	\$ —	2,011,270	1,380,242	3,391,512

	Level 3 Assets 2012			
	Common collective trusts	Limited partnerships	Real estate	Total
Balance at December 31, 2011	\$ 194,344	1,583,645	854,849	2,632,838
Realized gains (losses)	2,914	177,180	(2,617)	177,477
Unrealized gains (losses) relating to instruments still held at the reporting date	23,096	16,175	57,682	96,953
Purchases	420,035	304,820	101,946	826,801
Sales	(117,558)	(360,528)	(36,294)	(514,380)
Transfer between classifications	(522,831)	307,422	215,409	—
Balance at December 31, 2012	\$ —	2,028,714	1,190,975	3,219,689

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

Notes to Financial Statements

December 31, 2013 and 2012

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, 2013, 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	\$ 1,380,242	Discounted Cash Flow Analysis	Revenue Growth Rate Discount Rate Exit Cap Rate	0% - 11% 6.5% - 9.5% 5.75% - 9%
Limited partnerships	\$ 2,011,270	Market Value Comparable Company Analysis Discounted Cash Flow Analysis Expected Returns Benchmark Pricing Comparable Yields Recent Financing	EBITDA Multiples WACC Illiquidity Discount Control Premium Lack of Control Discount Tangible book value Revenue Multiple Terminal Capitalization Rate Yield	2.8X - 20X 6% - 25% 0% - 37% 0% - 30% 5% - 17% 0X - 0.8X 1X - 5X 0% - 7.5% 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

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

At December 31, 2013 and 2012, the Master Trust had open foreign currency contracts to purchase approximately \$174 million and \$141 million, respectively, and sell approximately \$174 million and \$141 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.

UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN

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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 tax positions taken by the Plan and has concluded that as of December 31, 2013 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 14, 2014, the date of issuance of its financial statements and determined that there are no items to disclose, other than an offer to former employees who have not yet begun to collect their pensions, whose pensions have a value of less than \$30,000, to take a single lump sum payment in lieu of a future monthly annuity. The election process is currently underway and full results of how many will accept the offer and how much will be paid out in lump sums is not yet known.

**UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN**

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

December 31, 2013

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost of asset	(e) Current
*	Prudential Retirement Insurance and Annuity Company	Immediate Participation Guarantee Fund	\$ 99,880,406	98,610,825
*	Metropolitan Life Insurance Company	Immediate Participation Guarantee Fund	9,155,958	9,155,958
	Metropolitan Life Insurance Company	Separate Accounts-Blackrock Managed Broad Market Bond Fund	15,989,919	16,436,073
	Total		\$ 125,026,283	124,202,856

* 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.

United Technologies Corporation

Employee Retirement Plan

EIN: 06-0570975 PN: 001

Schedule SB, Line 7 - Explanation of Discrepancy in Prior Year Funding Standard Carryover Balance or Prefunding Balance as of January 1, 2013

The prior year Funding Standard Carryover Balance/Prefunding Balance was \$1,226,164,377 on line 13 of the prior-year Schedule SB and is \$1,265,753,144 on line 7 of the current year Schedule SB. The balance has been adjusted due to the merger of the Goodrich Corporation Employees' Pension plan into the United Technologies Corporation Employee Retirement Plan effective as of December 31, 2012.

	UTC Employee Retirement Plan	Goodrich Corporation Employees' Pension Plan EIN: 34-0252680 PN: 001	Total
Balance at beginning of prior year	1,226,164,377	39,588,767	1,265,753,144
Portion elected to offset prior year funding requirement	3,967,562	0	3,967,562
Remaining balance	1,222,196,815	39,588,767	1,261,785,582
Prior year actual return	14.59%	14.40%	
Interest on remaining balance using prior year actual return	178,318,515	5,700,782	184,019,297
Balance at beginning of current year	1,400,515,330	45,289,549	1,445,804,879

Schedule SB - Statement by Enrolled Actuary

Plan Sponsor	United Technologies Corporation
EIN/PN	06-0570975 / 001
Plan Name	UTC Employee Retirement Plan
Valuation Date	January 1, 2013
Enrolled Actuary	Jay Mitchell, F.S.A
Enrollment Number	14-05718

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 Qx	tPx	Number of Expected Retirements =(2)x(3)	Weighted Retirement Age =(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 2012	
▶ Applicable month	Segment rates	
▶ Yield curve basis		
Interest rates:		
	Reflecting Corridor	Not Reflecting Corridor
First segment rate	4.94%	1.75%
Second segment rate	6.15%	4.62%
Third segment rate	6.76%	5.72%
Effective interest rate	6.30%	4.92%
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 on 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 2028 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2020 using Scale AA).
▶ Disabled	Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2028 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2020 using Scale AA).
Termination	Rates varying by age and service See Exhibit A
Disability	Rates varying by age See Exhibit B
Retirement	Rates varying by age 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.
Benefit commencement date for terminated vested participants	For Goodrich, 40% of those eligible for unreduced benefits at age 62 commence at age 62. Otherwise, commencement assumed at age 65.

United Technologies Corporation
Employee Retirement Plan
EIN: 06-0570975 PN:001
Schedule SB, Part V – Assumptions and Methods

Form of payment	<p>For Non-Rep Rocketdyne: 30% life annuity and 70% CA benefit (option 50%);</p> <p>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;</p> <p>For Goodrich: Five year certain and continuous annuity for pay-related formulas and Troy Wage participants. Lump sum for Rohr salaried cash balance benefit. Life annuity for all other dollar per month formulas;</p> <p>For all other groups: 50% life annuity and 50% CA benefit (equally split between option 50% and option 100% CA).</p>
Percent married	<p>100% at age 55 for subplans with the 100% CA annuity that allows non-spouse beneficiaries;</p> <p>81% for all others in Non-Rep</p>
Spouse age	Females three years younger than males.
Covered pay	For current year hires, pay rate. For participants on leave of absence, pay rate. For all other participants, prior year's pensionable earnings increased with the applicable salary scale.
Administrative expenses	For Non-Rep: 0.2% of the fair value of assets.
Loads	For Non-Rep vested terminations, excluding Goodrich, 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 dates 12 and 24 months before the valuation date, 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 2012 plan year.)
Benefits not valued	<p>All benefits described in the Plan Provisions 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 2011 to September 2012.</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

Plan: Non-Rep (excluding Goodrich participants)

Years of Service

Age	<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 A (continued)

Termination Assumptions

Annual Rates per 1,000 Participants

Plan : Non-Rep (Goodrich participants)

Age	Years of Service					
	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5 and up</u>
25	500	250	200	200	150	150
30	500	250	200	200	150	150
35	400	250	200	150	100	100
40	350	250	150	150	100	75
45	250	150	150	150	100	75
50	150	100	100	100	100	75
55	150	100	100	100	100	75
60	150	100	100	100	100	75
65	150	100	100	100	100	75

Exhibit B

Disability Assumptions

Annual Rates per 1,000 Participants

Plan: Non-Rep (excluding Goodrich participants)

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	18.6	12.7

Exhibit B (continued)

Disability Assumptions

Annual Rates per 1,000 Participants

Plan: Non-Rep (Goodrich participants)

Age	Aerostructures		All Other Goodrich	
	Male	Female	Male	Female
25	0.4	0.4	1.2	1.8
30	0.4	0.6	1.2	1.8
35	0.5	1.0	1.3	1.9
40	1.1	1.8	1.5	2.2
45	2.2	3.4	2.0	3.0
50	4.6	5.6	3.6	5.4
55	9.6	8.9	6.8	10.2
60	16.1	12.7	13.8	20.7
65	0.0	0.0	0.0	0.0
70	0.0	0.0	0.0	0.0

Exhibit C

Retirement Assumptions

.Age	Non-Rep (excluding Goodrich)	Non-Rep Goodrich
55	0.050	0.050
56	0.050	0.050
57	0.100	0.050
58	0.100	0.050
59	0.100	0.050
60	0.150	0.075
61	0.100	0.075
62	0.250	0.150
63	0.250	0.150
64	0.250	0.150
65	1.000	0.500
66	1.000	0.250
67	1.000	0.250
68	1.000	0.500
69	1.000	0.500
70	1.000	0.500
71	1.000	1.000

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, 2010, UTC salaried employees hired after December 31, 2009 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 December 31</u>	<u>Pay Credit as 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 (\$255,000 for 2013).
- (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**

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 Wichita Falls, Pratt & Whitney Columbus, Georgia and Pratt & Whitney Power Systems (Turbo Power & Marine).
- 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), July 1, 2012 (Pratt HMR Columbus, Georgia).
 - 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 December 31</u>	<u>Pay Credit as 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 (\$255,000 for 2013).
- (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
Salaried**

1. Eligibility

- a. Eligible Employees: Salaried employees of the Aerospace Group not covered by a collective bargaining agreement who were hired on or before June 30, 2002. Special provisions apply for former employees of Sundstrand and Howmet.
- 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

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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 (\$255,000 for 2013). 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)
Aerospace Non-Rep
Former Howmet Salaried Employees**

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

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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 (\$255,000 for 2013). 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.

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

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

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 (\$255,000 for 2013). 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**

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 x 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.
- 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.

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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 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)**

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 (\$255,000 for 2013).
 - (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**

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 (\$255,000 for 2013). 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

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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 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**

1. Eligibility

- a. Eligible Employees: Hourly employees of the company located at the Pratt & Whitney, Columbus, Georgia location and Pratt & Whitney ORCS. Employees hired after June 30, 2012 at the Columbus, Georgia location are covered by the Pratt & Whitney Hourly Management Represented Cash Balance Plan.
- 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	\$31.00
27,000 - 28,999	33.00
29,000 - 30,999	35.00
31,000 - 32,999	37.00
33,000 - 34,999	38.00
35,000 - 36,999	39.00
37,000 and over	40.00

Effective July 1, 2012, the benefit formula follows the Pratt & Whitney Hourly Management Represented Cash Balance formula.

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 (\$255,000 for 2013). 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

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- 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**

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).

- 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 (\$255,000 for 2013). Base

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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

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- 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.
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. 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**

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 December 31</u>	<u>Pay Credit as 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 (\$255,000 for 2013).
- (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.

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**

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 (\$255,000 for 2013).
- (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 value of \$5,000 or less under 417(e) government mandated basis.

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

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% 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

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) Pre-74 Benefit + 1.5% Final Average Earnings x Credited Service from 1974 to 1990 + 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) or, for participants with pre-91 Credited Service, (b) if less
- (a) 1.5% Primary Social Security benefit x post-73 Credited Service (max 33-1/3)
- (b) 50% Primary Social Security benefit x post-73 Credited Service/continuous

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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 (\$255,000 for 2013). 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)
CCS - Carrier A
International Comfort Products (ICP)**

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 (\$255,000 for 2013). 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)
CCS - Carrier Specialty Equipment Companies (SEC)
Salaried

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).

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 (\$255,000 for 2013). 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

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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)
CCS - Carrier Specialty Equipment Companies (SEC)
Taylor Company

1. Eligibility

- a. Eligible Employees: Hourly management represented employees of the SEC Taylor Company 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:

- (i) Taylor Company: Benefit level (effective July 1, 2012) from the table below times years of Credited Service:

<u>Years of Credited Service</u>	<u>Annual Benefit Amount*</u>
1 – 10	\$ 354.00
10 – 20	384.00
Over 20	408.00

* The benefit levels will increase to:

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

The future levels are not considered for the 2012 ERISA valuation.

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 During Calendar Year</u>	<u>Fractional Year of 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, 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)
CCS - Fire & Security
Onity**

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 December 31</u>	<u>Pay Credit as 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 $1/12 [(1+i)^{(1/12)}-1]$ 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 (\$255,000 for 2013).
- (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)
CCS - Fire & Security
World Headquarters**

1. Eligibility

- a. Eligible Employees: Employees of the CCS - Fire and Security World Headquarters division 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 (\$255,000 for 2013). 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)
CCS - Fire & Security
Kidde Commercial Grandfathered**

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 (\$255,000 for 2013).

- (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)
Goodrich
Salaried Plan**

1. Eligibility

- a. Eligible Employees: All Goodrich salaried employees hired prior to January 1, 2006 and all Pump & Engine union employees hired prior to March 1, 2011.
- b. Participation Requirements: Eligible Employees become participants on date of employment.

2. Accrued Benefit

- a. Formula: Benefit is (i) plus (ii) plus (iii)
 - (i) Credited Service beginning on January 1, 2002 x 1.15% of Final Average Earnings
 - (ii) Credited Service up to 35 years x .45% of Final Average Earnings in excess of Covered Compensation
 - (iii) Prior plan benefit accrued as of December 31, 2001, calculated under the applicable prior plan formula(s)

Pump & Engine Formula: Benefit is \$516 x years of Credited Service

- b. Definitions

- (i) Pensionable Pay: Annual base pay, including 401(k) deferral, plus bonus and overtime pay. Pensionable Pay is limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$255,000 for 2013).
- (ii) Final Average Earnings: The average of the highest 48 consecutive months out of 120 months of Pensionable Pay ending on the participant's termination date.
- (iii) Covered Compensation: The average of the Social Security taxable wage base during the highest 35-year period prior to and including the year in which the participant retires, dies or otherwise terminates employment.
- (iv) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.
- (v) Continuous Service (service): Elapsed time since date of employment by Goodrich Corporation.
- (vi) Credited Service: Years and months of service as a covered employee as of the hire date.

Service for employees who opted out of the plan through Retirement Choice is limited to service prior to June 30, 2006.

No earlier than January 1985 for Carolina Rubber Hose (CRH); October 1989 for Arrowhead; January 1991 for Simmonds; June 1994 for QSI; and January 1997 for Tramco. Service for Gastonia employees includes service to date of hire at Gastonia (but not before January 1987); service for Safeway employees begins January 1994; service for Freedom Textile Chemical begins May 4, 1992; August 23, 1998 for UPCo; January 1, 1999 for Cincinnati Salaried, C.H. Patrick and

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Cartersville; and March 31, 1999 for AMMI; January 1, 2002 for Coltec and Aerostructures.

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3. Normal Retirement

- a. Date: First of the month coinciding with or following the date on which a participant attains age 65. (Age 65 with 5 years of service for Pump & Engine.)
- b. Benefit: The accrued benefit at retirement payable monthly.

4. Early Retirement

- a. Date: First of the month coinciding with or following retirement after the attainment of age 55 and the completion of 5 years of vesting service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced 4% for each year of payment before age 62. (Reduced 5% for each year before age 62 for Pump & Engine.)

In the case of Safeway and former Tremco participants, the frozen accrued benefit as of December 31, 1994 is a minimum benefit with former plan reduction factors applied (3.6% from age 65). In the case of Landing Gear, the frozen accrued benefit as of December 31, 1996 is a minimum benefit with former plan reduction factors.

5. Postponed Retirement

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

6. Vested Termination

- a. Eligibility: Termination of employment for reasons other than death or retirement after completing five years of service, but before becoming eligible for normal or postponed retirement.
- b. Benefit: Monthly accrued pension benefit determined as of termination date, reduced 4% for each year of payment before age 62 to age 55, as with early retirement.

7. Supplemental Benefit

- a. Eligibility: Early retirement with 30 years of Credited Service before and up to age 62.
- b. Benefit: The sum of \$545 basic amount plus \$10 per year that age is greater than 55; plus \$22 per year of Credited Service greater than 30, less the early retirement benefit. Payable to age 62.

8. Disability Benefit

- a. Eligibility: Disablement after date of employment.
- b. Benefit: Monthly accrued benefit based on pensionable pay as of disability date payable at Normal Retirement Date. Service continues to accrue while disabled. For Pump & Engine, the monthly accrued benefit based on service as of disability date, payable immediately.

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9. 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 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and reduced for payment as early as the participant's 55th birthday.

8. Form of Payment

- a. Normal Form:
 - (i) Five-year certain and continuous annuity for unmarried participants
 - (ii) An actuarially reduced 50% joint and survivor annuity for married participants

Normal Form for Pump & Engine:

- (i) Life annuity for unmarried participants
 - (ii) An actuarially reduced 55% joint and survivor annuity for married participants
- b. Optional Forms:
 - (i) Life annuity
 - (ii) 50% contingent annuity
 - (iii) 100% contingent annuity
 - (iv) 5 year certain and continuous annuity
 - (v) 10 year certain and continuous annuity
 - (vi) 15 year certain and continuous annuity
 - (vii) Social security level income annuity
 - (viii) Lump sum payment less than \$15,000

The normal form of payment is converted to an optional form using 6% interest rate and 1994 GAM Mortality (75% male/25% female for participant mortality and 25% male/75% female for joint annuitant mortality).

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

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 (\$255,000 for 2013). 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.

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).

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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 (\$255,000 for 2013). 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**

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:

<u>Age as of December 31</u>	<u>Pay Credit as 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 (\$255,000 for 2013).
 - (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

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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 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 (UTC Non-Rep)
Alma Non-Union
Frozen Subplan**

1. Eligibility

- a. Eligible Employees: Hourly employees of United Technologies Automotive, Inc. (Alma) not covered by a collective bargaining agreement. The Rotocast location closed in 1996. The Amos location was sold effective May 4, 1999, with all nonvested participants being immediately vested on the sale date.
- 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: Monthly benefit level from the table below based on period of Credited Service times months of Credited Service:

Period of Credited Service	Monthly Benefit Level
Before 1981	\$ 7.00
1981 & after	8.00
1986	9.00
1987	10.00
1988 & after	11.00
1994 & after	12.00

b. Definitions

- (i) Continuous Service (service): The total period of a participant's employment, including only plan years in which the participant completes at least 1,000 hours of service and including service after Normal Retirement Date.

- (ii) Credited Service: Service based on hours of service in each plan year as follows:

Hours of Service <u>During Plan Year</u>	Fractional Year of <u>Credited Service Earned</u>
Less than 90	0
90 - 269	.1
270 - 449	.2
450 - 629	.3
630 - 809	.4
810 - 989	.5
990 - 1169	.6
1170 - 1349	.7
1350 - 1529	.8
1530 - 1699	.9

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 6% 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 after completing five 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.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of Credited Service and receiving Social Security disability benefits.
- b. Benefit: The accrued benefit at disability payable monthly commencing the first of the month after the severance date.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 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) A reduced 50% joint and survivor annuity for married participants where reduction is 10% plus or minus $\frac{1}{2}\%$ for each year of age difference

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

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)
Arma
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Former employees of AMBAC Industries, Incorporated.
- b. Participation Requirements: Eligible Employees became participants after attainment of age 25 and one year of service.

2. Accrued Benefit

- a. Formula: The greater of (i) and (ii), but no larger than (iii)
 - (i) 1.5% Final Average Earnings up to \$3,000 x Credited Service (max 25) + 2% Final Average Earnings in excess of \$3,000 x Credited Service (max 25)
 - (ii) \$288 x Credited Service
 - (iii) 50% of Final Average Earnings
- b. Definitions
 - (i) Annual Earnings: Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$255,000 for 2013).
 - (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 fractions of a year of more than six months are considered as one full year, and fractions of a year of less than six months are disregarded.

3. Normal Retirement

- a. Date: First of the month following the date on which a participant attains age 65 (females - age 60).
- 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 Credited Service or after the attainment of age 50 and the completion of 20 years of Credited Service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 3% 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 63 and the completion of 30 years of Credited Service, or if the participant retires on or after the attainment of age 50 and the completion of 25 years of Credited Service and was involuntarily laid off from AMBAC.

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5. Laid-Off Retirement

- a. Eligibility: RTE* on November 1, 1968 and layoff following such date after the completion of 20 years of Credited Service (RTE-20), or the attainment of age 50 and the completion of 25 years of Credited Service and involuntary layoff.

* Requisite Term of Employment: Term of employment of at least 10 years less the maximum period during which a layoff may continue without breaking service under the Labor Agreement or Company Policy applicable to the employee on November 1, 1968.

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

6. Company Directed Retirement

- a. Eligibility: RTE* on 11/01/68 and engineer or technician in Local #418.

- b. Benefit: 2.5% Final Average Earnings x Credited Service (maximum benefit is 50% of Final Average Earnings). If the participant has 17.5 years of Credited Service, payment can be deferred to date eligible for 50% of Final Average Earnings maximum benefit.

7. Company Initiated Retirement

- a. Eligibility: Attainment of age 55 and the completion of 10 years of Credited Service, and the participant accepts request to retire.

- b. Benefit: 50% of Final Average Earnings.

8. Postponed Retirement

- a. Date: First of the month following retirement after the Normal Retirement Date (mandatory retirement – bargaining unit, age 65 - management, age 67).

- b. Benefit: The accrued benefit at Normal Retirement Date or, if later, at the completion of 25 years of Credited Service actuarially increased to mandatory retirement payable monthly.

9. Vested Termination

- a. Eligibility: Termination of employment after completing five years of service following the attainment of age 22 (if employed after October 1, 1964), 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 45, with the benefit reduced 4% per year for each year benefit commencement precedes the Normal Retirement Date.

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10. Termination Payment

- a. Eligibility: Termination of employment after completing five years of Credited Service following the attainment of age 25; or if employed on October 1, 1964 as a guard by Local #460 or as a stationary engineer by Locals #30, #30A or #30B, after completing three years of Credited Service (but less than five) following the attainment of age 25.
- b. Benefit:

<u>Credited Service After the Later of April 1, 1953 or Age 25</u>	<u>Gross Termination Payment</u>
3 but less than 4	\$ 160
4 but less than 5	250
5 but less than 6	360
6 but less than 7	490
7 but less than 8	640
8 but less than 9	810
9 but less than 10	1,000
Increasing by 1	Increasing by \$100

This termination payment is reduced by any severance payments.

Note: If this payment is elected then the deferred vested benefit is reduced by the actuarial equivalent of this termination payment.

11. Disability Benefit

- a. Eligibility: Disability after completing 10 years of Credited Service and receiving Social Security disability benefits.
- b. Benefit: The accrued benefit at disability payable monthly commencing immediately.

12. Pre-retirement Death Benefits

- a. Eligibility: If a participant who is age 45 with five years of Credited Service dies prior to receiving an early, normal or postponed retirement benefit, the following benefit is payable:
- b. Benefit: 50% of the benefit the participant would have been eligible to receive at the date of death payable monthly for 120 months or until spouse's death or remarriage.

13. Optional Pre-retirement Spouse's Benefit:

- a. Eligibility: An active participant who is age 55 with five years of Credited Service or age 50 with 20 years of Credited Service may elect to have the following benefit paid to his spouse in the event of his death:
- b. Benefit: A 50% spouse's benefit commencing immediately.

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14. 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) 50% joint and survivor annuity
- (iii) Social Security level income
- (iv) 50% joint and survivor annuity but survivor receives 100% until five years after death
- (v) Combination options
- (vi) Life annuity for married participants
- (vii) 75% contingent annuity

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)
Auto B
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Hourly employees not covered by a collective bargaining agreement at the following divisions of the company: Packard Instrument (closed location), Diesel Systems (closed location), and Auto Trim. The Auto Trim location was sold effective May 4, 1999, with all nonvested participants being immediately vested.
- b. Participation Requirements: Eligible Employees become participants on the earlier of the January 1 or July 1 following age 21 and one year of eligibility service.

2. Accrued Benefit

- a. Formula: The sum of (i), (ii) and (iii):
 - (i) December 31, 1984 prior plan accrued benefit
 - (ii) \$180 x pre February 1, 1994 Credited Service
 - (iii) \$216 x post February 1, 1994 Credited Service
- b. Definitions
 - (i) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
 - (ii) 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

Packard Instrument Credited Service frozen at February 28, 1986

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:
 - 3.6% per year (2.4% per year for December 31, 1984 prior plan accrued benefit) for Auto Trim and Diesel Systems for each year benefit commencement precedes age 62, and
 - 6% per year for Packard Instrument 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.

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6. Vested Termination

- a. Eligibility: Termination of employment after completing five 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.

7. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service.
- b. Benefit: The accrued benefit payable monthly commencing on the Normal Retirement Date. Service and Credited Service continue up to Normal Retirement Date.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following benefits are payable:
- b. Benefit:
 - (i) If the participant dies with between 5 years of service and age 55 with 10 years of service, 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.
 - (ii) If the participant dies after age 55 with 10 years of service, a 100% contingent annuitant benefit is payable, and payment commences immediately, but reduced as described in 4.b. above.

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) Social Security level income
 - (viii) Life annuity for married participants
- 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)
Automotive Systems (Sheller Salaried)
Frozen Subplan**

1. Eligibility

- a. Eligible Employees: Employees of the Automotive Systems Group (Sheller) not covered by a collective bargaining agreement. This location was sold effective May 4, 1999, with all nonvested participants being immediately vested on the sale date.
- 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):
 - (i) Pre-91 Benefit % x Final Average Earnings + 1.5% Final Average Earnings x post-90 Credited Service

Minus 1.5% Primary Social Security benefit x post-90 Credited Service
(max 33-1/3)
 - (ii) Pre-91 Benefit % x Final Average Earnings + \$240 x post-90 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. Definitions
 - (i) Annual Earnings: Total compensation as a participant including overtime, bonuses, performance-related awards, pre-tax contributions to the savings plan and pre-tax contributions to a cafeteria plan, but excluding awards (other than performance-related awards), foreign service premiums and allowances, stock option benefits, reimbursements, other company contributions to any benefit plan, severance pay, and pay in lieu of vacation. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$255,000 for 2013). 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. Calendar years with zero earnings are excluded.
 - (iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.

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(iv) Continuous Service (service):

Prior to January 1, 1991: Continuous service as determined under the rules of the prior plan.

On or After January 1, 1991: 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, 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 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 five 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 age 65.
- 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.

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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 completing five years of service 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
- 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)
Automotive Salaried
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Employees of the Automotive Group not covered by a collective bargaining agreement. This location was sold effective May 4, 1999, with all nonvested participants being immediately vested on the sale date.
- 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):
 - (i) $\text{Prior Plan Benefit \%} \times \text{Final Average Earnings (or Prior Plan Benefit)} + 1.5\% \text{ Final Average Earnings} \times \text{Credited Service}$
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) $50\% \text{ Primary Social Security benefit} \times \text{Credited Service/continuous service}$
 - (ii) $\text{Prior Plan Benefit \%} \times \text{Final Average Earnings (or Prior Plan Benefit)} + \$120 \text{ (less for Final Average Earnings under \$10,000)} \times \text{pre-91 Credited Service} + \$240 \times \text{post-90 Credited Service}$
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 Rules of 65 benefit).
- b. Definitions
 - (i) Annual Earnings: Total compensation as a participant including overtime, bonuses, performance-related awards, pre-tax contributions to the savings plan, and pre-tax contributions to a cafeteria plan, but excluding awards (other than performance-related awards), foreign service premiums and allowances, stock option benefits, reimbursements, other company contributions to any benefit plan, severance pay, and pay in lieu of vacation. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$255,000 for 2013). 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. Calendar years with zero earnings are excluded.

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(iii) Maximum Benefit: A participant's benefit will not exceed the Section 415 limit, as indexed.

(iv) Continuous Service (service):

Prior to Date in 2.b.(v) below: Continuous service as determined under the rules of the prior plan.

On or After Date in 2.b.(v) below: 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, and
- service counted as Credited Service under any other defined benefit retirement plan of the company

Credited Service is based on the later of the date of hire or:

- for any employees of any division of Essex Group Inc. (1/1/74)
- for employees of American Bosch Division, Packard Instrument Company, Inc. or Electrical Products Division of Ambac Industries, Inc. (1/1/81)
- for employees of United Technologies Automotive Trim, Inc. (1/1/85)
- for employees of Alma Plastics Company (1/1/86)

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.

(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 62.

(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.

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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 five 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 completing five years of service 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

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 A
Carrier Enterprises Divisions
Frozen Subplan

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) $1.3\% \text{ Final Average Earnings} \times \text{pre-91 Credited Service} + 2\% \text{ Final Average Earnings} \times \text{post-90 Credited Service (max 20)} + 1\% \text{ Final Average Earnings} \times \text{post-90 Credited Service in excess of 20}$
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) $\$156 \times \text{Credited Service}$
- (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 (\$255,000 for 2013). 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.

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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.

United Technologies Corporation
Employee Retirement Plan (UTC Non-Rep)
Carrier C
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Former hourly employees of the Carrier Group at Maumelle, Arkansas and City of Industry, California who were covered by a collective bargaining agreement and terminated employment before December 1, 1990.
- b. Participation Requirements: Eligible Employees became 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):
 - (i) 1.3% Final Average Earnings x Credited Service (max 35)
Minus 30%/35 x Primary Social Security benefit x Credited Service (max 35)
 - (ii) \$156 x Credited Service (max 35)
 - (iii) Benefit earned under the Plan as in effect January 1, 1973, assuming earnings at the rate in effect continued until retirement.

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 (with earnings before date of hire backed off with national average wage changes) and end at age 62 (age 65 for vested terminations). Except for vested terminations, the Primary Social Security benefit is reduced for commencement at age 62. For vested terminations, the Primary Social Security benefit is prorated by Credited Service at termination over Credited Service at age 65 as if the participant had worked to age 65.

- b. Definitions

- (i) Annual Earnings: Annual base pay and shift premiums at the beginning of each year plus before-tax contributions for benefits, overtime, commissions and bonuses of prior year. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$255,000 for 2013).
- (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 4% per year for each year benefit commencement precedes the earliest of:
 - age 65
 - age 60 and 20 years of Credited Service
 - age 55 and 30 years of Credited Service

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 five 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 4% per year for each year benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Permanently disabled after completing five years of Credited Service.
- b. Benefit: The accrued benefit at disability payable monthly commencing immediately.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 6.b. above (4.b. above if eligible for early retirement). The participant pays for the cost of this coverage (except Elliott prior to attaining age 55).

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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. If the spouse is the beneficiary, 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) 50% contingent annuity
- (vi) Life annuity for married participants

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 - Beverage-Air
Frozen Subplan

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 During Calendar Year</u>	<u>Fractional Year of 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.

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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

EIN: 06-0570975 PN:001

Schedule SB, Part V – Summary of Plan Provisions

United Technologies Corporation
Employee Retirement Plan (UTC Non-Rep)
Carrier Specialty Equipment Companies (SEC)
SEC – World Dryer
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Hourly management represented employees of the World Dryer 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:

- (i) 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 During Calendar Year</u>	<u>Fractional Year of 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
EIN: 06-0570975 PN:001
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.

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
EIN: 06-0570975 PN:001
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)
Control Hourly
Frozen Subplan**

1. Eligibility

- a. Eligible Employees: Hourly employees of Control Systems not covered by a collective bargaining agreement. These locations were sold effective May 4, 1999, with all nonvested participants being immediately vested on the sale date.
- b. Participation Requirements: Eligible Employees become participants after one year of employment.

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii):
 - (i) \$24 x service prior to the effective date for the location
Plus
After the effective date for the location, annual benefit level before 1994 determined from previous Benefit Schedules and after 1993 determined from Benefit Schedule below for calendar year of Credited Service.
 - (ii) For each year of Credited Service, a minimum past service benefit applies to certain locations.

Benefit Schedule

<u>#</u>	<u>Location</u>	<u>Effective Date</u>	<u>1999 Annual Benefit Level</u>
40	Bennettsville - Automotive Group	01/01/81	\$ 150
191	Brownsville	01/01/92	120
82	Boyne City - Automotive Group	07/01/77	162
263	Dayton, TN	01/01/88	72
64	St. Matthews – Automotive Group	01/01/82	162
159	Tampa - Automotive Group	01/01/80	186
81	Traverse City – Automotive Group	04/01/78	192
134	Traverse City - Terminal Products	07/01/77	216

United Technologies Corporation
Employee Retirement Plan
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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 Normal Retirement Date.
- (ii) Credited Service: Service based on hours of service in each calendar year as follows:

<u>Hours of Service</u>	<u>Fractional Year of Credited Service</u>
Less than 1,000	0.0
1,000 - 1,199	0.7
1,200 - 1,599	0.8
1,600 or more	1.0

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 6% 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 after completing five 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.

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

7. Disability Benefit

- a. Eligibility: Disability after the attainment of age 50 and completing 15 years of service and qualified to receive Social Security disability benefits.
- b. Benefit: \$420 a year payable monthly commencing the first of the month after the severance date, continuing for the number of months equal to months of Credited Service or, if earlier, until death, recovery or retirement.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 6.b. above (4.b. above if eligible for early retirement).

9. Lump Sum Benefit

- a. Eligibility: Death while employed.
- b. Benefit: \$2,000 or, if lesser, 5¢ x hours of Credited Service.

10. 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
- 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

EIN: 06-0570975 PN:001

Schedule SB, Part V – Summary of Plan Provisions

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

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).

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 (\$255,000 for 2013). 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

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

United Technologies Corporation
Employee Retirement Plan
EIN: 06-0570975 PN:001
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: 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.

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

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)
Hamilton Test Systems
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Former employees not covered by a collective bargaining agreement of:
CTVIP Inc.
Hamilton Test Systems California, Inc.
Hamilton Test Systems New York, Inc.
Hamilton Test Systems Massachusetts, Inc.
Hamilton Test Systems Wisconsin, Inc.
Hamilton Test Systems, Inc. was sold on December 29, 1989.
- b. Participation Requirements: Eligible Employees became participants on the January 1 coincident with or following age 21.

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii):
- (i) $1.5\% \text{ Final Average Earnings} \times \text{Credited Service} - 50\% \text{ Primary Social Security benefit} \times \text{Credited Service} / \text{continuous service at sale date}$
 - (ii) $\$120 \times \text{Credited Service}$
For purposes of determining the Primary Social Security benefit offset, the Primary Social Security benefit earnings start at the date of participation and end at the date of termination.
- b. Definitions
- (i) Annual Earnings: Total compensation as a participant including tax deferred contributions to the savings plan, but excluding awards and reimbursements and earnings following division's sale date in 1989 or 1990. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$255,000 for 2013). 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,
 - service counted as Credited Service under any other defined benefit retirement plan of the company, and
 - service following division's sale date in 1989 or 1990

United Technologies Corporation
Employee Retirement Plan
EIN: 06-0570975 PN:001
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: 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 5% per year for each year benefit commencement precedes age 65 (reduced from 6% so as not to exceed vested termination reduction factor).

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 five 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.

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.

United Technologies Corporation
Employee Retirement Plan
EIN: 06-0570975 PN:001
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8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following benefits are payable:
- b. Benefit:
 - (i) If the participant dies with between 5 years of service and age 55 with 10 years of service, 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.
 - (ii) If the participant dies after age 55 with 10 years of service, a 100% contingent annuitant benefit is payable, and payment commences immediately, but reduced as described in 4.b. above.

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
- 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)
Microelectronics
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Employees of UT Microelectronic Systems, Inc. not covered by a collective bargaining agreement. This location was sold effective February 25, 1999, with all nonvested participants being immediately vested on the sale date.
- b. Participation Requirements: All employees on December 1, 1984 shall automatically become participants on December 1, 1984. All employees of Hamilton Standard Commercial Aircraft Electronics (HSCAE) on January 1, 1997 shall automatically become participants on January 1, 1997. Eligible employees after December 1, 1984 (January 1, 1997 in case of HSCAE employees) shall 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):
 - (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) \$144 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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Employee Retirement Plan
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Schedule SB, Part V – Summary of Plan Provisions

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 (\$255,000 for 2013). 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.
- (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,
 - for non-HSCAE employees, service prior to December 1, 1984, and
 - for HSCAE employees, service prior to January 1, 1997.

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

United Technologies Corporation
Employee Retirement Plan
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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 five 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 10 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 completing five years of service 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% contingent 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

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

EIN: 06-0570975 PN:001

Schedule SB, Part V – Summary of Plan Provisions

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

Sheller Leece-Neville

Frozen Subplan

Engineered Polymers Division

1. Eligibility

- a. Eligible Employees: Former employees of Sheller Engineered Polymers.
- b. Participation Requirements: Eligible Employees who were regularly employed before the sale of the location on September 30, 1989.

2. Accrued Benefit

- a. Formula: The greater of (i) or (ii):
 - (i) 1.0% Career Average Earnings x Credited Service
 - (ii) \$144 x Credited Service
- b. Definitions
 - (i) Career Average Earnings: Base pay including overtime and bonuses averaged over years of Credited Service. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$255,000 for 2013).
 - (ii) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, in which 1,000 hours of service is completed in each year.
 - (iii) Credited Service: Service is granted on the basis of 2,000 hours of service for a full year and prorated service is granted after completion of 1,000 hours. No service is credited after September 30, 1989.

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:

<u>Age</u>	<u>Reduction</u>
64	10%
63	19
62	27
61	34
60	40
59	45
58	50
57	55
56	58
55	62

United Technologies Corporation
Employee Retirement Plan
EIN: 06-0570975 PN:001
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 five 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 actuarially reduced for each year benefit commencement precedes the Normal Retirement Date.

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 6.b. above (4.b. above if eligible for early retirement).

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 Form:
 - (i) Life annuity for married participants
 - (ii) 75% contingent annuity
- 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)
Sheller Leece-Neville
Frozen Subplan
Leece-Neville Division

1. Eligibility

- a. Eligible Employees: Former hourly employees of Sheller Leece-Neville.
- b. Participation Requirements: Eligible Employees who were regularly employed on an hourly basis before the sale of the location on July 7, 1987.

2. Accrued Benefit

- a. Formula: $\$162 \times \text{Credited Service (max 30)}$
- b. Definitions
 - (i) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, in which 1,000 hours of service is completed in each year.
 - (ii) Credited Service: Service prior to June 1, 1976 is credited based on continuous service used for seniority purposes. After that date, service is granted on the basis of 1,800 hours of service for a full year and prorated service is granted to the first completed 1/10 of a year (180 hours equal 1/10 of year). No service is credited after July 7, 1987.

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 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 after completing five 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 7.2% per year for each year benefit commencement precedes the Normal Retirement Date.

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

7. Disability Benefit

- a. Eligibility: Disability after the attainment of age 45 and completing 15 years of Credited Service.
- b. Benefit: The accrued benefit at disability payable monthly commencing immediately.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 6.b. above (4.b. above if eligible for early retirement). The participant's pension is reduced according to provisions in effect for the various Leece-Neville plants, to cover the increased cost of the plan, if he survives to retire.

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 Form:
 - (i) Life annuity for married participants
 - (ii) 75% contingent annuity
- 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

EIN: 06-0570975 PN:001

Schedule SB, Part V – Summary of Plan Provisions

**United Technologies Corporation
Employee Retirement Plan (UTC Non-Rep)
Sheller Leece-Neville
Frozen Subplan
Montpelier Division**

1. Eligibility

- a. Eligible Employees: Former hourly employees of Sheller Montpelier Plant.
- b. Participation Requirements: Eligible Employees who were regularly employed on an hourly basis before the sale of the location on June 28, 1990.

2. Accrued Benefit

- a. Formula: \$168 x Credited Service
- b. Definitions
 - (i) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
 - (ii) Credited Service: Service prior to January 1, 1979 is credited based on continuous service used for seniority purposes. After that date, service is based on the continuous service. No service is credited after June 28, 1990.

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 15 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 6.6% 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 after completing 10 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 who completed 15 or more years of service at termination, can commence payment of the benefit on the first day of any month following the attainment of age 55, with the benefit actuarially reduced for each year benefit commencement precedes the Normal Retirement Date.

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

7. Disability Benefit

- a. Eligibility: Disability after the attainment of age 45 and completing 15 years of Credited Service.
- b. Benefit: The accrued benefit at disability payable monthly commencing immediately.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 6.b. above (4.b. above if eligible for early retirement). The participant's pension is reduced 0.1% per year to cover the increased cost to the plan, if he survives to retire.

9. Lump Sum Benefits

- a. Eligibility:
 - (i) Disabled with less than 15 years of Credited Service.
 - (ii) Retired at age 65 with between 5 and 10 years of Credited Service. (Optional)
- b. Benefit: Lump sum benefit of \$100 x Credited Service.

10. 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 Form:
 - (i) Life annuity for married participants
 - (ii) 75% contingent annuity
- 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)
Sheller Leece-Neville
Frozen Subplan
Tupelo Division

1. Eligibility

- a. Eligible Employees: Former hourly employees of Sheller Tupelo division.
- b. Participation Requirements: Eligible Employees who were regularly employed on an hourly basis before the sale of the location on October 2, 1988.

2. Accrued Benefit

- a. Formula: $\$66 \times \text{Credited Service}$
- b. Definitions
 - (i) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date, in which 1,000 hours of service is completed in each year.
 - (ii) Credited Service: Service prior to January 1, 1979 is credited based on continuous service used for seniority purposes. After that date, service is granted on the basis of 1,800 hours of service for a full year and prorated service is granted to the first completed 1/10 of a year (180 hours equal 1/10 of year). No service is credited after October 2, 1988.

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 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 after completing 10 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 7.2% per year for each year benefit commencement precedes the Normal Retirement Date.

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

7. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 6.b. above (4.b. above if eligible for early retirement). The participant's pension is reduced 0.1% per year to cover the increased cost to the plan, if he survives to retire.

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 Form:
 - (i) Life annuity for married participants
 - (ii) 75% contingent annuity
- 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

EIN: 06-0570975 PN:001

Schedule SB, Part V – Summary of Plan Provisions

United Technologies Corporation
Employee Retirement Plan (UTC Non-Rep)
Sheller Northern Fibre
Frozen Subplan

1. Eligibility

- a. Eligible Employees: Hourly employees of the Northern Fibre Division of Sheller Globe Corporation. This location was sold effective May 4, 1999, with all nonvested participants being immediately vested on the sale date.
- b. Participation Requirements: Eligible Employees become participants on the first day of the month following the later of age 21 or one year of eligibility service.

2. Accrued Benefit

- a. Formula: \$126 x Credited Service

- b. Definitions

- (i) Continuous Service (service): The total period of a participant's employment, including only plan years in which the participant completes at least 1,000 hours of service and including service after Normal Retirement Date.

- (ii) Credited Service: Service based on hours of service in each plan year as follows:

<u>Hours of Service During Plan Year</u>	<u>Fractional Year of Credited Service Earned</u>
Less than 170	0
170 - 254	.1
255 - 424	.2
425 - 594	.3
595 - 764	.4
765 - 934	.5
935 - 1104	.6
1105 - 1274	.7
1275 - 1444	.8
1445 - 1614	.9
1615 or more	1.0

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 60 and the completion of 10 years of service, but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly reduced 7.2% 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 62 and the completion of 25 years of Credited Service.

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.

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

6. Vested Termination

- a. Eligibility: Termination of employment after completing five 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 60, with the benefit reduced 7.2% per year for each year benefit commencement precedes the Normal Retirement Date.

7. Disability Benefit

- a. Eligibility: Disability after the attainment of age 50 and completing 15 years of Credited Service.
- b. Benefit: The greater of (i) or (ii) payable monthly until Normal Retirement Date commencing the first of the month after the severance date:
 - (i) \$86.40 x Credited Service
 - (ii) \$1,354.80

At Normal Retirement Date, the accrued benefit at disability payable monthly.

8. Pre-retirement Death Benefits

- a. Eligibility: If a vested participant dies prior to receiving an early, normal or postponed retirement benefit, the following 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 60 but reduced as described in 6.b. above (4.b. above if eligible for early retirement).

9. Form of Payment

- a. Normal Form:
 - (i) Life annuity for unmarried participants
 - (ii) A reduced 50% joint and survivor annuity for married participants where reduction is 5% plus or minus 1/2% for each year of age difference in excess of 5 years (100% max)
- 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
- 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
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	8	89	15	0	0	0	0	0	0	0
	Average Earnings		48,405								
25 to 29	Count	27	906	841	4	0	0	0	0	0	0
	Average Earnings	60,067	70,622	73,951							
30 to 34	Count	77	773	1,564	443	12	0	0	0	0	0
	Average Earnings	71,269	79,295	81,229	90,555						
35 to 39	Count	70	789	1,317	1,069	326	3	0	0	0	0
	Average Earnings	87,292	90,398	89,300	98,258	104,671					
40 to 44	Count	84	713	1,295	1,061	544	272	14	0	0	0
	Average Earnings	103,720	96,313	95,004	102,345	103,596	107,748				
45 to 49	Count	66	776	1,364	1,344	708	1,057	827	7	0	0
	Average Earnings	95,481	97,125	96,169	107,470	106,325	116,813	117,601			
50 to 54	Count	60	725	1,374	1,633	790	1,039	1,810	765	26	1
	Average Earnings	89,738	100,501	95,282	108,271	104,277	108,741	124,670	114,217	94,299	
55 to 59	Count	27	479	982	1,416	557	784	1,056	1,418	412	14
	Average Earnings	93,930	88,075	92,106	102,354	98,228	102,030	111,009	124,050	114,887	
60 to 64	Count	11	212	477	788	263	335	469	409	338	152
	Average Earnings		87,342	89,217	98,374	93,289	97,408	103,358	110,799	122,304	104,776
65 to 69	Count	7	66	164	269	90	80	87	71	45	105
	Average Earnings		89,423	95,228	100,934	92,706	94,733	99,450	108,230	110,588	115,599
70 & up	Count	0	14	24	51	11	15	9	7	5	21
	Average Earnings			83,683	91,841						113,327
Average Age:			48.81	Average Service:			14.77				

* Excludes 4,186 suspended participants (participants not accruing additional service as of January 1, 2013).

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	4	68	15	0	0	0	0	0	0	0
	Average Cash Balance		3,828								
25 to 29	Count	12	823	787	2	0	0	0	0	0	0
	Average Cash Balance		7,889	12,090							
30 to 34	Count	22	533	1,442	302	6	0	0	0	0	0
	Average Cash Balance	1,543	11,203	17,289	26,740						
35 to 39	Count	25	492	1,112	638	138	2	0	0	0	0
	Average Cash Balance	3,409	15,190	24,679	33,998	36,108					
40 to 44	Count	34	433	1,089	512	177	49	0	0	0	0
	Average Cash Balance	7,619	18,907	33,302	42,512	38,041	38,670				
45 to 49	Count	21	475	1,074	509	196	195	114	0	0	0
	Average Cash Balance	7,504	23,654	40,051	42,831	46,786	60,515	60,974			
50 to 54	Count	20	430	1,045	607	190	208	253	88	2	0
	Average Cash Balance	4,847	28,536	45,745	39,819	57,370	74,908	79,687	108,709		
55 to 59	Count	4	281	738	503	91	130	154	154	23	0
	Average Cash Balance		27,439	47,995	40,312	52,571	88,043	85,154	120,372	95,378	
60 to 64	Count	1	134	359	274	51	61	58	33	26	7
	Average Cash Balance		28,869	48,036	44,291	65,733	89,399	77,888	129,457	144,547	
65 to 69	Count	2	42	127	98	16	15	11	11	3	4
	Average Cash Balance		33,520	54,937	56,214						
70 & up	Count	0	8	14	14	3	1	0	0	1	1
	Average Cash Balance										
Average Age:			44.50	Average Service:			13.95				

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► **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.

A Name of plan United Technologies Corporation Employee Retirement Plan	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF United Technologies Corporation	D Employer Identification Number (EIN) 06-0570975	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2013</u>		
2	Assets:		
	a Market value	2a	17,275,339,658
	b Actuarial value	2b	16,507,406,641
3	Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment.....	3a	80,302
	b For terminated vested participants.....	3b	50,573
	c For active participants:		
	(1) Non-vested benefits	3c(1)	382,927,864
	(2) Vested benefits	3c(2)	4,780,033,582
	(3) Total active.....	3c(3)	42,614
	d Total.....	3d	173,489
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	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.....	4b	
5	Effective interest rate	5	6.30 %
6	Target normal cost	6	374,551,263

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 <i>Jm</i> Signature of actuary	October 1, 2014 Date
	Jay Mitchell, F.S.A. Type or print name of actuary	14-05718 Most recent enrollment number
	Towers Watson Pennsylvania, Inc. Firm name	(203) 326-5400 Telephone number (including area code)
	263 Tresser Boulevard Stamford CT 06901-3226 Address of the firm	

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) 2013 v. 130118**

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	1,265,753,144	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	3,967,562	0
9 Amount remaining (line 7 minus line 8)	1,261,785,582	0
10 Interest on line 9 using prior year's actual return of <u>14.58</u> %	184,019,297	
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 <u>7.01</u> % except as otherwise provided (see instructions)		
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)	1,445,804,879	0

Part III Funding Percentages

14 Funding target attainment percentage	14	97.87 %
15 Adjusted funding target attainment percentage	15	107.26 %
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	112.62 %
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 (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by 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? ☐ 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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.94 %	2nd segment: 6.15 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	374,551,263	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 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	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	374,551,263	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	374,551,263	0	374,551,263
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

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	IRC Section 401(a)(17) compensation limit was increased from \$250,000 to \$255,000.	01/01/2013
	IRC Section 415 benefit limit was increased from \$200,000 to \$205,000.	01/01/2013
	All final average earnings related benefits will be frozen effective 12/31/2014. Affected participants will be eligible to continue to participate in the Plan under the UTC 3% - 8% Cash Balance Plan beginning 1/1/2015. This change will first be reflected in the 2015 ERISA PPA valuation.	01/01/2015
Carrier SEC Taylor (HMR)	Monthly benefit level increased to \$31.50 for up to 10 years of service, \$34.00 for 10 to 20 years of service and \$36.00 for over 20 years of service	07/01/2013
P&W Columbus Georgia	Maximum monthly benefit level increased from \$37 to \$40 for all past service. Transitioned to HMR cash balance formula for future service accruals.	07/01/2012

**UNITED TECHNOLOGIES CORPORATION
EMPLOYEE RETIREMENT PLAN**

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

December 31, 2013

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost of asset	(e) Current
*	Prudential Retirement Insurance and Annuity Company	Immediate Participation Guarantee Fund	\$ 99,880,406	98,610,825
*	Metropolitan Life Insurance Company	Immediate Participation Guarantee Fund	9,155,958	9,155,958
	Metropolitan Life Insurance Company	Separate Accounts-Blackrock Managed Broad Market Bond Fund	15,989,919	16,436,073
	Total		\$ 125,026,283	124,202,856

* 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.