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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>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 6057(b) and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 24pt; font-weight: bold;">2017</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                          |                                                                                                                                                                                                                                             |  |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                          |                                                                                                                                                                                                                                             |  |
| For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u> |                                                                                                          |                                                                                                                                                                                                                                             |  |
| <b>A</b>                                                                                                 | This return/report is for:                                                                               | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)               |  |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____ |                                                                                                                                                                                                                                             |  |
| <b>B</b>                                                                                                 | This return/report is:                                                                                   | <input type="checkbox"/> the first return/report<br><input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report<br><input type="checkbox"/> a short plan year return/report (less than 12 months) |  |
| <b>C</b>                                                                                                 | If the plan is a collectively-bargained plan, check here. . . . . ▶ <input type="checkbox"/>             |                                                                                                                                                                                                                                             |  |
| <b>D</b>                                                                                                 | Check box if filing under:                                                                               | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program                                                                                                        |  |
|                                                                                                          | <input type="checkbox"/> special extension (enter description)                                           |                                                                                                                                                                                                                                             |  |

|                |                                                                                                                                                                                                                                                                                                                                                                |           |                                                           |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------------|
| <b>Part II</b> | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                                                 |           |                                                           |
| <b>1a</b>      | Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                                                                                                                                                                                                                                                                                | <b>1b</b> | Three-digit plan number (PN) ▶ <u>001</u>                 |
|                |                                                                                                                                                                                                                                                                                                                                                                | <b>1c</b> | Effective date of plan<br><u>07/01/1941</u>               |
| <b>2a</b>      | Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>UNITED TECHNOLOGIES CORPORATION</u><br><br><u>4 FARM SPRINGS ROAD</u><br><u>FARMINGTON, CT 06034</u> | <b>2b</b> | Employer Identification Number (EIN)<br><u>06-0570975</u> |
|                |                                                                                                                                                                                                                                                                                                                                                                | <b>2c</b> | Plan Sponsor's telephone number<br><u>860-728-7000</u>    |
|                |                                                                                                                                                                                                                                                                                                                                                                | <b>2d</b> | Business code (see instructions)<br><u>336410</u>         |

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

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

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/02/2018 | FRED DAUSSAN                                                 |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)  
v. 170203

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div> |
| <b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                                |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>5</b> 150992                                                                                                                                                  |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits .....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 36964<br><b>6a(2)</b> 34521<br><b>6b</b> 1129<br><b>6c</b> 1351<br><b>6d</b> 37001<br><b>6e</b> 95<br><b>6f</b> 37096<br><b>6g</b><br><b>6h</b> 303 |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>7</b>                                                                                                                                                         |

**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:

|                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input checked="" type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input checked="" type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> 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)** ☒ 6 **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                  |                                                             |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017       |                                                             |
| <b>A</b> Name of plan<br>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN                | <b>B</b> Three-digit plan number (PN) ▶ 001                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>UNITED TECHNOLOGIES CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>06-0570975 |

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

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                                             |
|---------------------------------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>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                                | 0                                                                           | 01/01/2017              | 12/31/2017 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> Name and address of the agent, broker, or other person to whom commissions or fees were paid |
|---------------------------------------------------------------------------------------------------------|

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

**Part II Investment and Annuity Contract Information**

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

**4** Current value of plan's interest under this contract in the general account at year end ..... **4** 47776422**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** 57680397**c** Additions: (1) Contributions deposited during the year ..... **7c(1)** 55335(2) Dividends and credits ..... **7c(2)**(3) Interest credited during the year ..... **7c(3)** 2141479(4) Transferred from separate account ..... **7c(4)**(5) Other (specify below) ..... **7c(5)** 115135

▶ MARKET VALUE CREDIT

(6) Total additions ..... **7c(6)** 2311949**d** Total of balance and additions (add lines **7b** and **7c(6)**). .... **7d** 59992346**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 11128383(2) Administration charge made by carrier ..... **7e(2)**(3) Transferred to separate account ..... **7e(3)**(4) Other (specify below) ..... **7e(4)** 1087541

▶ ANNUITY GUARANTEE FEE

(5) Total deductions ..... **7e(5)** 12215924**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). .... **7f** 47776422

**Part III Welfare Benefit Contract Information**

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

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

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

**9** Experience-rated contracts:

|                                                                                                                                                    |                 |                 |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received .....                                                                                                       | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid .....                                                                                             | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                          | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)) .....                                                                                                                 |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid .....                                                                                                     | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves .....                                                                                                    | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                        |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged .....                                                                                                                           |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                      |                 |                 |   |
| (A) Commissions .....                                                                                                                              | <b>9c(1)(A)</b> |                 |   |
| (B) Administrative service or other fees .....                                                                                                     | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs .....                                                                                                         | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses .....                                                                                                                           | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes .....                                                                                                                                    | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies .....                                                                                                 | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges .....                                                                                                                  | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention .....                                                                                                                          |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) ..... |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                                |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves .....                                                                                                                           |                 | <b>9d(2)</b>    |   |
| (3) Other reserves .....                                                                                                                           |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                           |                 | <b>9e</b>       |   |

**10** Nonexperience-rated contracts:

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

Specify nature of costs.

**Part IV Provision of Information**

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

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

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                  |                                                             |     |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017       |                                                             |     |
| <b>A</b> Name of plan<br>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN                | <b>B</b> Three-digit plan number (PN) ▶                     | 001 |
|                                                                                                  |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>UNITED TECHNOLOGIES CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>06-0570975 |     |

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

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                                  |
|----------------------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>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, 080070A                       | 0                                                                           | 01/01/2017              | 12/31/2017 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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** 3010648**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** 3052089**c** Additions: (1) Contributions deposited during the year ..... **7c(1)**  
(2) Dividends and credits ..... **7c(2)**  
(3) Interest credited during the year ..... **7c(3)** 159587  
(4) Transferred from separate account ..... **7c(4)**  
(5) Other (specify below) ..... **7c(5)**(6) Total additions ..... **7c(6)** 159587**d** Total of balance and additions (add lines **7b** and **7c(6)**). .... **7d** 3211676**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 178024  
(2) Administration charge made by carrier ..... **7e(2)** 23004  
(3) Transferred to separate account ..... **7e(3)**  
(4) Other (specify below) ..... **7e(4)**(5) Total deductions ..... **7e(5)** 201028**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). .... **7f** 3010648

**Part III Welfare Benefit Contract Information**

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

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

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

**9** Experience-rated contracts:

|                                                                                                                                                    |                 |                 |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received .....                                                                                                       | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid .....                                                                                             | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                          | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)) .....                                                                                                                 |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid .....                                                                                                     | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves .....                                                                                                    | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                        |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged .....                                                                                                                           |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                      |                 |                 |   |
| (A) Commissions .....                                                                                                                              | <b>9c(1)(A)</b> |                 |   |
| (B) Administrative service or other fees .....                                                                                                     | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs .....                                                                                                         | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses .....                                                                                                                           | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes .....                                                                                                                                    | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies .....                                                                                                 | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges .....                                                                                                                  | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention .....                                                                                                                          |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) ..... |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                                |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves .....                                                                                                                           |                 | <b>9d(2)</b>    |   |
| (3) Other reserves .....                                                                                                                           |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                           |                 | <b>9e</b>       |   |

**10** Nonexperience-rated contracts:

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

Specify nature of costs.

**Part IV Provision of Information**

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

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

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                  |                                                             |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017       |                                                             |
| <b>A</b> Name of plan<br>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN                | <b>B</b> Three-digit plan number (PN) ▶ 001                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>UNITED TECHNOLOGIES CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>06-0570975 |

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

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                             |
|-----------------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>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 243R BR A                         | 0                                                                           | 01/01/2017              | 12/31/2017 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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.

|                                                                                                        |          |         |
|--------------------------------------------------------------------------------------------------------|----------|---------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> | 2408797 |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> | 2954901 |

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

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

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

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

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

|                                                        |           |         |
|--------------------------------------------------------|-----------|---------|
| <b>b</b> Balance at the end of the previous year ..... | <b>7b</b> | 2388972 |
|--------------------------------------------------------|-----------|---------|

|                                                                       |              |        |  |
|-----------------------------------------------------------------------|--------------|--------|--|
| <b>c</b> Additions: (1) Contributions deposited during the year ..... | <b>7c(1)</b> | 21     |  |
|                                                                       | <b>7c(2)</b> |        |  |
|                                                                       | <b>7c(3)</b> | 20288  |  |
|                                                                       | <b>7c(4)</b> | 249742 |  |
|                                                                       | <b>7c(5)</b> |        |  |

|                           |              |        |
|---------------------------|--------------|--------|
| (6) Total additions ..... | <b>7c(6)</b> | 270051 |
|---------------------------|--------------|--------|

|                                                                                       |           |         |
|---------------------------------------------------------------------------------------|-----------|---------|
| <b>d</b> Total of balance and additions (add lines <b>7b</b> and <b>7c(6)</b> ) ..... | <b>7d</b> | 2659023 |
|---------------------------------------------------------------------------------------|-----------|---------|

**e** Deductions:

|                                                                                 |              |        |  |
|---------------------------------------------------------------------------------|--------------|--------|--|
| (1) Disbursed from fund to pay benefits or purchase annuities during year ..... | <b>7e(1)</b> | 132234 |  |
| (2) Administration charge made by carrier .....                                 | <b>7e(2)</b> | 24316  |  |
| (3) Transferred to separate account .....                                       | <b>7e(3)</b> | 11854  |  |
| (4) Other (specify below) .....                                                 | <b>7e(4)</b> | 81822  |  |

▶ RISK CHARGE AND TAX CHARGE

|                            |              |        |
|----------------------------|--------------|--------|
| (5) Total deductions ..... | <b>7e(5)</b> | 250226 |
|----------------------------|--------------|--------|

|                                                                                                         |           |         |
|---------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>f</b> Balance at the end of the current year (subtract line <b>7e(5)</b> from line <b>7d</b> ) ..... | <b>7f</b> | 2408797 |
|---------------------------------------------------------------------------------------------------------|-----------|---------|

**Part III Welfare Benefit Contract Information**

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

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

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

**9** Experience-rated contracts:

|                                                                                                                                                    |                 |                 |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received .....                                                                                                       | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid .....                                                                                             | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                          | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)) .....                                                                                                                 |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid .....                                                                                                     | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves .....                                                                                                    | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                        |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged .....                                                                                                                           |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                      |                 |                 |   |
| (A) Commissions .....                                                                                                                              | <b>9c(1)(A)</b> |                 |   |
| (B) Administrative service or other fees .....                                                                                                     | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs .....                                                                                                         | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses .....                                                                                                                           | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes .....                                                                                                                                    | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies .....                                                                                                 | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges .....                                                                                                                  | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention .....                                                                                                                          |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) ..... |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                                |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves .....                                                                                                                           |                 | <b>9d(2)</b>    |   |
| (3) Other reserves .....                                                                                                                           |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                           |                 | <b>9e</b>       |   |

**10** Nonexperience-rated contracts:

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

Specify nature of costs.

**Part IV Provision of Information**

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

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

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                  |                                                             |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017       |                                                             |
| <b>A</b> Name of plan<br>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN                | <b>B</b> Three-digit plan number (PN) ▶ 001                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>UNITED TECHNOLOGIES CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>06-0570975 |

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

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                                  |
|----------------------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>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                                | 0                                                                           | 01/01/2017              | 12/31/2017 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> Name and address of the agent, broker, or other person to whom commissions or fees were paid |
|---------------------------------------------------------------------------------------------------------|

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

---

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

---

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

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

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

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

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

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

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

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

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

**Part II Investment and Annuity Contract Information**

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

**4** Current value of plan's interest under this contract in the general account at year end ..... **4** 521367**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** 519931**c** Additions: (1) Contributions deposited during the year ..... **7c(1)**  
(2) Dividends and credits ..... **7c(2)**  
(3) Interest credited during the year ..... **7c(3)** 29229  
(4) Transferred from separate account ..... **7c(4)**  
(5) Other (specify below) ..... **7c(5)**(6) Total additions ..... **7c(6)** 29229**d** Total of balance and additions (add lines **7b** and **7c(6)**). .... **7d** 549160**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 23850  
(2) Administration charge made by carrier ..... **7e(2)** 3943  
(3) Transferred to separate account ..... **7e(3)**  
(4) Other (specify below) ..... **7e(4)**(5) Total deductions ..... **7e(5)** 27793**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). .... **7f** 521367

**Part III Welfare Benefit Contract Information**

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

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

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

**9** Experience-rated contracts:

|                                                                                                                                                    |                 |                 |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received .....                                                                                                       | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid .....                                                                                             | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                          | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)) .....                                                                                                                 |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid .....                                                                                                     | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves .....                                                                                                    | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                        |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged .....                                                                                                                           |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                      |                 |                 |   |
| (A) Commissions .....                                                                                                                              | <b>9c(1)(A)</b> |                 |   |
| (B) Administrative service or other fees .....                                                                                                     | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs .....                                                                                                         | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses .....                                                                                                                           | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes .....                                                                                                                                    | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies .....                                                                                                 | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges .....                                                                                                                  | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention .....                                                                                                                          |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) ..... |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                                |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves .....                                                                                                                           |                 | <b>9d(2)</b>    |   |
| (3) Other reserves .....                                                                                                                           |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                           |                 | <b>9e</b>       |   |

**10** Nonexperience-rated contracts:

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

Specify nature of costs.

**Part IV Provision of Information**

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

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

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                  |                                                             |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017       |                                                             |
| <b>A</b> Name of plan<br>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN                | <b>B</b> Three-digit plan number (PN) ▶ 001                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>UNITED TECHNOLOGIES CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>06-0570975 |

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

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                                             |
|---------------------------------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>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                                | 0                                                                           | 01/01/2017              | 12/31/2017 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> 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 |
|                                      |                               |

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> 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** 1852908**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** 1950445**c** Additions: (1) Contributions deposited during the year ..... **7c(1)**  
(2) Dividends and credits ..... **7c(2)**  
(3) Interest credited during the year ..... **7c(3)** 127368  
(4) Transferred from separate account ..... **7c(4)**  
(5) Other (specify below) ..... **7c(5)**(6) Total additions ..... **7c(6)** 127368**d** Total of balance and additions (add lines **7b** and **7c(6)**). .... **7d** 2077813**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 92589  
(2) Administration charge made by carrier ..... **7e(2)** 6316  
(3) Transferred to separate account ..... **7e(3)** 126000  
(4) Other (specify below) ..... **7e(4)**(5) Total deductions ..... **7e(5)** 224905**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). .... **7f** 1852908

**Part III Welfare Benefit Contract Information**

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

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

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

**9** Experience-rated contracts:

|                                                                                                                                                                                                                                 |                 |                 |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received .....                                                                                                                                                                                    | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid .....                                                                                                                                                                          | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                                                                                                       | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)) .....                                                                                                                                                                                              |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid .....                                                                                                                                                                                  | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves .....                                                                                                                                                                                 | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                                                                                                     |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged .....                                                                                                                                                                                                        |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                                                                                                   |                 |                 |   |
| (A) Commissions .....                                                                                                                                                                                                           | <b>9c(1)(A)</b> |                 |   |
| (B) Administrative service or other fees .....                                                                                                                                                                                  | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs .....                                                                                                                                                                                      | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses .....                                                                                                                                                                                                        | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes .....                                                                                                                                                                                                                 | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies .....                                                                                                                                                                              | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges .....                                                                                                                                                                                               | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention .....                                                                                                                                                                                                       |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) .....                                                                              |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                                                                                                             |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves .....                                                                                                                                                                                                        |                 | <b>9d(2)</b>    |   |
| (3) Other reserves .....                                                                                                                                                                                                        |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                                                                                                        |                 | <b>9e</b>       |   |
| <b>10</b> Nonexperience-rated contracts:                                                                                                                                                                                        |                 |                 |   |
| <b>a</b> Total premiums or subscription charges paid to carrier .....                                                                                                                                                           |                 | <b>10a</b>      |   |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. .... |                 | <b>10b</b>      |   |

Specify nature of costs.

**Part IV Provision of Information**

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

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

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                  |                                                             |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017       |                                                             |
| <b>A</b> Name of plan<br>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN                | <b>B</b> Three-digit plan number (PN) ▶ 001                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>UNITED TECHNOLOGIES CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>06-0570975 |

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

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                                             |
|---------------------------------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>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         | 004350- A,B                           | 0                                                                           | 01/01/2017              | 12/31/2017 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> Name and address of the agent, broker, or other person to whom commissions or fees were paid |
|---------------------------------------------------------------------------------------------------------|

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

**Part II Investment and Annuity Contract Information**

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

**4** Current value of plan's interest under this contract in the general account at year end ..... **4** 21314488**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** 23706229**c** Additions: (1) Contributions deposited during the year ..... **7c(1)**  
(2) Dividends and credits ..... **7c(2)**  
(3) Interest credited during the year ..... **7c(3)** 925965  
(4) Transferred from separate account ..... **7c(4)**  
(5) Other (specify below) ..... **7c(5)**(6) Total additions ..... **7c(6)** 925965**d** Total of balance and additions (add lines **7b** and **7c(6)**). .... **7d** 24632194**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)** 3097443(2) Administration charge made by carrier ..... **7e(2)**(3) Transferred to separate account ..... **7e(3)**(4) Other (specify below) ..... **7e(4)** 220263

▶ ANNUITY GUARANTEE FEE

(5) Total deductions ..... **7e(5)** 3317706**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). .... **7f** 21314488

**Part III Welfare Benefit Contract Information**

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

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

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

**9** Experience-rated contracts:

|                                                                                                                                                    |                 |                 |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received .....                                                                                                       | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid .....                                                                                             | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                          | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)) .....                                                                                                                 |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid .....                                                                                                     | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves .....                                                                                                    | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                        |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged .....                                                                                                                           |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                      |                 |                 |   |
| (A) Commissions .....                                                                                                                              | <b>9c(1)(A)</b> |                 |   |
| (B) Administrative service or other fees .....                                                                                                     | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs .....                                                                                                         | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses .....                                                                                                                           | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes .....                                                                                                                                    | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies .....                                                                                                 | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges .....                                                                                                                  | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention .....                                                                                                                          |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) ..... |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                                |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves .....                                                                                                                           |                 | <b>9d(2)</b>    |   |
| (3) Other reserves .....                                                                                                                           |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                           |                 | <b>9e</b>       |   |

**10** Nonexperience-rated contracts:

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

Specify nature of costs.

**Part IV Provision of Information**

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

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

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>                                  |                                                                                                                                                         |
| ▶ <b>Round off amounts to nearest dollar.</b>                                                                                             |                                                                                                                                                         |
| ▶ <b>Caution:</b> A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.            |                                                                                                                                                         |
| <b>A</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                                                  | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>UNITED TECHNOLOGIES CORPORATION</u>                        | <b>D</b> Employer Identification Number (EIN)<br><u>06-0570975</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>                                                      |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>                                                                                                                               |                                                                               |
| <b>2</b> Assets:                                                                                                                                                                                                |                                                                               |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> <u>24527843649</u>                                                  |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> <u>24320023926</u>                                                  |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                             | (1) Number of participants (2) Vested Funding Target (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | <u>91236</u> <u>13022567414</u> <u>13022567414</u>                            |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | <u>22792</u> <u>2251529901</u> <u>2251529901</u>                              |
| <b>c</b> For active participants .....                                                                                                                                                                          | <u>36964</u> <u>4928868562</u> <u>5064119646</u>                              |
| <b>d</b> Total .....                                                                                                                                                                                            | <u>150992</u> <u>20202965877</u> <u>20338216961</u>                           |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                           |                                                                               |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                                                                     |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                                                                     |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> <u>5.84 %</u>                                                        |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b> <u>249489107</u>                                                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <b>Statement by Enrolled Actuary</b><br>To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan. |                                                               |
| <b>SIGN HERE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                               |
| Signature of actuary<br><u>JAY MITCHELL, F.S.A.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>09/21/2018</u><br>Date                                     |
| Type or print name of actuary<br><u>TOWERS WATSON DELAWARE INC.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>17-05718</u><br>Most recent enrollment number              |
| Firm name<br><u>200 LIBERTY STREET</u><br><u>NEW YORK, NY 10281</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>212-309-3479</u><br>Telephone number (including area code) |
| Address of the firm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                               |

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                      | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                                             | 2072588432            | 0                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                          | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                                                | 2072588432            | 0                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>11.59</u> % .....                                                                                | 240212999             | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                       |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                                                      |                       | 1781914057             |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.05</u> % ..... |                       | 107805800              |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                 |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                        |                       | 1889719857             |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                                                      |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                    | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                                         | 2312801431            | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 108.20% |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 118.86% |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 114.22% |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %       |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 07/01/2017               | 0                                 | 180624                          |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b> 180624             |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                         |            |   |
|-------------------------------------------------------------------------------------------------------------------------|------------|---|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                    | <b>19a</b> | 0 |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0 |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 0 |

**20** Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
|                                                            |         |         |         |

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

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.16 % | 2nd segment:<br>5.72 % | 3rd segment:<br>6.48 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age.....                                                                                                                                               |                        |                        |                        | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous Items**

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

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

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

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

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 249489107          |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 249489107          |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....                                                          | <b>34</b>           | 0                  |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

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

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

|                                                                                                                                                                                                           |                                                                                                                                                                                                                              |                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection.</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

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

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

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

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

|                                       |                               |                                                                                                                       |
|---------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>13-3064404-001</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>7995211593</u> |
|---------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------|

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

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

|                                       |                               |                                                                                                                     |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>13-5581829-401</u> | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>29549001</u> |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>UNITED TECHNOLOGIES CORPORATION EMPLOYEE RETIREMENT PLAN</u>                                                                                                                                                                                 | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>001</u>                                                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>UNITED TECHNOLOGIES CORPORATION</u>                                                                                                                                                                  | <b>D</b> Employer Identification Number (EIN)<br><u>06-0570975</u>                                                                                                                                                                                                           |                                                                                           |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                 |                       |                 |
| Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 | (a) Beginning of Year | (b) End of Year |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(10)</b>   | 2343573               | 2954901         |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>   | 17212420068           | 7995211593      |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   | 65319278              | 76884631        |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>   |                       |                 |

|                    |                                                                  | (a) Beginning of Year | (b) End of Year        |
|--------------------|------------------------------------------------------------------|-----------------------|------------------------|
| <b>1d</b>          | Employer-related investments:                                    |                       |                        |
| (1)                | Employer securities .....                                        | <b>1d(1)</b>          |                        |
| (2)                | Employer real property .....                                     | <b>1d(2)</b>          |                        |
| <b>e</b>           | Buildings and other property used in plan operation .....        | <b>1e</b>             |                        |
| <b>f</b>           | Total assets (add all amounts in lines 1a through 1e) .....      | <b>1f</b>             | 17280082919 8075051125 |
| <b>Liabilities</b> |                                                                  |                       |                        |
| <b>g</b>           | Benefit claims payable .....                                     | <b>1g</b>             |                        |
| <b>h</b>           | Operating payables .....                                         | <b>1h</b>             |                        |
| <b>i</b>           | Acquisition indebtedness .....                                   | <b>1i</b>             |                        |
| <b>j</b>           | Other liabilities .....                                          | <b>1j</b>             |                        |
| <b>k</b>           | Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b>             | 0 0                    |
| <b>Net Assets</b>  |                                                                  |                       |                        |
| <b>l</b>           | Net assets (subtract line 1k from line 1f) .....                 | <b>1l</b>             | 17280082919 8075051125 |

**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.

|               |                                                                                                        | (a) Amount      | (b) Total  |
|---------------|--------------------------------------------------------------------------------------------------------|-----------------|------------|
| <b>Income</b> |                                                                                                        |                 |            |
| <b>a</b>      | <b>Contributions:</b>                                                                                  |                 |            |
| (1)           | Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 1900000000 |
|               | <b>(B)</b> Participants .....                                                                          | <b>2a(1)(B)</b> | 180624     |
|               | <b>(C)</b> Others (including rollovers) .....                                                          | <b>2a(1)(C)</b> |            |
| (2)           | Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |
| (3)           | Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    | 1900180624 |
| <b>b</b>      | <b>Earnings on investments:</b>                                                                        |                 |            |
| (1)           | Interest:                                                                                              |                 |            |
|               | <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....   | <b>2b(1)(A)</b> |            |
|               | <b>(B)</b> U.S. Government securities .....                                                            | <b>2b(1)(B)</b> |            |
|               | <b>(C)</b> Corporate debt instruments .....                                                            | <b>2b(1)(C)</b> |            |
|               | <b>(D)</b> Loans (other than to participants) .....                                                    | <b>2b(1)(D)</b> |            |
|               | <b>(E)</b> Participant loans .....                                                                     | <b>2b(1)(E)</b> |            |
|               | <b>(F)</b> Other .....                                                                                 | <b>2b(1)(F)</b> |            |
|               | <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                          | <b>2b(1)(G)</b> | 0          |
| (2)           | Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |
|               | <b>(B)</b> Common stock .....                                                                          | <b>2b(2)(B)</b> |            |
|               | <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                              | <b>2b(2)(C)</b> |            |
|               | <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....              | <b>2b(2)(D)</b> | 0          |
| (3)           | Rents .....                                                                                            | <b>2b(3)</b>    |            |
| (4)           | Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |
|               | <b>(B)</b> Aggregate carrying amount (see instructions) .....                                          | <b>2b(4)(B)</b> |            |
|               | <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....              | <b>2b(4)(C)</b> | 0          |
| (5)           | Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |
|               | <b>(B)</b> Other .....                                                                                 | <b>2b(5)(B)</b> | 3519051    |
|               | <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....     | <b>2b(5)(C)</b> | 3519051    |

|                                                                                                |        | (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)  |            | 108366     |
| (8) Net investment gain (loss) from master trust investment accounts .....                     | 2b(8)  |            | 2674003780 |
| (9) Net investment gain (loss) from 103-12 investment entities .....                           | 2b(9)  |            |            |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            |            |
| c Other income .....                                                                           | 2c     |            |            |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 4577811821 |

**Expenses**

|                                                                                     |       |           |           |
|-------------------------------------------------------------------------------------|-------|-----------|-----------|
| e Benefit payment and payments to provide benefits:                                 |       |           |           |
| (1) Directly to participants or beneficiaries, including direct rollovers.....      | 2e(1) | 984067940 |           |
| (2) To insurance carriers for the provision of benefits .....                       | 2e(2) | -9597520  |           |
| (3) Other .....                                                                     | 2e(3) |           |           |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                        | 2e(4) |           | 974470420 |
| f Corrective distributions (see instructions) .....                                 | 2f    |           |           |
| g Certain deemed distributions of participant loans (see instructions).....         | 2g    |           |           |
| h Interest expense.....                                                             | 2h    |           |           |
| i Administrative expenses: (1) Professional fees .....                              | 2i(1) |           |           |
| (2) Contract administrator fees .....                                               | 2i(2) |           |           |
| (3) Investment advisory and management fees .....                                   | 2i(3) |           |           |
| (4) Other .....                                                                     | 2i(4) |           |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |           | 0         |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |           | 974470420 |

**Net Income and Reconciliation**

|                                                          |       |  |             |
|----------------------------------------------------------|-------|--|-------------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 3603341401  |
| l Transfers of assets:                                   |       |  |             |
| (1) To this plan.....                                    | 2l(1) |  | 5413971790  |
| (2) From this plan .....                                 | 2l(2) |  | 18222344985 |

**Part III Accountant's Opinion**

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

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

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

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

☒ Yes ☐ No

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

(1) Name: **KPMG LLP**

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

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

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

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

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

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

**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) |
|--------------------------------------------------------|--------------|-------------|
| UNITED TECHNOLOGIES CORPORATION LEGACY RETIREMENT PLAN | 06-0570975   | 040         |
|                                                        |              |             |
|                                                        |              |             |
|                                                        |              |             |

**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  
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4107653. (See instructions.)

|                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                                 | <div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 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>2017</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>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<br>UNITED TECHNOLOGIES CORPORATION                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>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):<br><br>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                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  | 3 663                                                                                           |
| 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A<br>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<br>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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input checked="" type="checkbox"/> Both <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock? <input type="checkbox"/> Yes <input type="checkbox"/> 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.) <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| For Paperwork Reduction Act Notice, see the Instructions for Form 5500.                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Schedule R (Form 5500) 2017 v. 170203                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stock: 19.0% Investment-Grade Debt: 21.0% High-Yield Debt: 1.0% Real Estate: 7.0% Other: 52.0%

- 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, 2017 and 2016

(With Independent Auditors' Report Thereon)

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Financial Statements and Supplemental Schedule  
December 31, 2017 and 2016

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| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2017                                                                  | 25          |
| 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 were engaged to audit 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, 2017 and 2016, 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, 2016, 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 accounting principles generally accepted in the United States of America; 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 conducting the 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, 2017 and 2016, 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 H, Line 4i – Schedule of Assets (held at end of year) as of December 31, 2017 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

September 28, 2018

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Statements of Net Assets Available for Plan Benefits

December 31, 2017 and 2016

|                                                                                                                   | <u>2017</u>             | <u>2016</u>           |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------|
| Assets:                                                                                                           |                         |                       |
| Investments:                                                                                                      |                         |                       |
| Plan interest in Master Trust, at fair value, as certified<br>by Trustee (note 7)                                 | \$ 7,995,211,593        | 17,212,420,068        |
| Investment contracts with Insurance Companies, at contract<br>value, as certified by Insurance Companies (note 6) | 76,884,631              | 65,319,278            |
| Investment in pooled separate accounts, at fair value, as<br>certified by Insurance Companies (note 6)            | <u>2,954,901</u>        | <u>2,343,573</u>      |
| Net assets available for plan benefits                                                                            | <u>\$ 8,075,051,125</u> | <u>17,280,082,919</u> |

See accompanying notes to financial statements.

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

Statements of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2017 and 2016

|                                                                                                                                                                               | <u>2017</u>             | <u>2016</u>            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|
| Additions:                                                                                                                                                                    |                         |                        |
| Investment income:                                                                                                                                                            |                         |                        |
| Investment income – plan interest in net appreciation,<br>investment advisors' and trustee's fees, and investment<br>income of Master Trust, as certified by Trustee (note 7) | \$ 2,693,700,605        | 1,968,272,786          |
| Interest income – investment contracts, as certified by<br>Insurance Companies (note 6)                                                                                       | 3,519,051               | 3,512,925              |
| Net appreciation in pooled separate accounts,<br>as certified by Insurance Companies (note 6)                                                                                 | 108,366                 | 463,023                |
| Total investment income                                                                                                                                                       | <u>2,697,328,022</u>    | <u>1,972,248,734</u>   |
| Employee contributions                                                                                                                                                        | 180,624                 | 166,544                |
| Employer contributions                                                                                                                                                        | 1,900,000,000           | 33,000,000             |
| Total contributions                                                                                                                                                           | <u>1,900,180,624</u>    | <u>33,166,544</u>      |
| Total additions                                                                                                                                                               | <u>4,597,508,646</u>    | <u>2,005,415,278</u>   |
| Deductions:                                                                                                                                                                   |                         |                        |
| Benefit payments                                                                                                                                                              | (984,067,940)           | (1,712,302,277)        |
| Administrative expenses                                                                                                                                                       | (19,696,825)            | (65,178,183)           |
| Refund (Transfer) of Plan Assets for Annuity Purchases                                                                                                                        | 9,597,520               | (492,487,441)          |
| Total deductions                                                                                                                                                              | <u>(994,167,245)</u>    | <u>(2,269,967,901)</u> |
| Net decrease before plan transfers                                                                                                                                            | 3,603,341,401           | (264,552,623)          |
| Transfer In from Represented Pension Plan (note 3)                                                                                                                            | 5,413,971,790           | —                      |
| Transfers out to Legacy Retirement Plan (note 1)                                                                                                                              | <u>(18,222,344,985)</u> | <u>(525,000,296)</u>   |
| Net decrease                                                                                                                                                                  | (9,205,031,794)         | (789,552,919)          |
| Net assets available for plan benefits:                                                                                                                                       |                         |                        |
| Beginning of year                                                                                                                                                             | <u>17,280,082,919</u>   | <u>18,069,635,838</u>  |
| End of year                                                                                                                                                                   | <u>\$ 8,075,051,125</u> | <u>17,280,082,919</u>  |

See accompanying notes to financial statements.

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

Statement of Accumulated Plan Benefits

December 31, 2016

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants currently receiving payments

\$ 15,417,817,094

Other participants

9,515,376,857

24,933,193,951

Nonvested benefits

144,950,371

Total actuarial present value of accumulated plan benefits

\$ 25,078,144,322

See accompanying notes to financial statements.

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

Statement of Changes in Accumulated Plan Benefits

Year ended December 31, 2016

|                                                                           |                          |
|---------------------------------------------------------------------------|--------------------------|
| Actuarial present value of accumulated plan benefits at beginning of year | \$ 20,625,160,175        |
| Increase (decrease) during the year attributable to:                      |                          |
| Plan merger (note 3)                                                      | 6,062,227,415            |
| Benefits accumulated                                                      | 215,402,383              |
| Actuarial losses                                                          | 40,894,593               |
| Increase for interest due to the decrease in the discount period          | 1,098,031,034            |
| Benefits paid                                                             | (2,890,573,057)          |
| Change in actuarial assumptions (note 4)                                  | 493,248,134              |
| Plan amendments                                                           | 130,159,294              |
| Spin off to Legacy Retirement Plan                                        | <u>(696,405,649)</u>     |
| Net increase                                                              | <u>4,452,984,147</u>     |
| Actuarial present value of accumulated plan benefits at end of year       | <u>\$ 25,078,144,322</u> |

See accompanying notes to financial statements.

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2017 and 2016

**(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 were frozen effective December 31, 2014. Affected participants were 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 employees.

Effective on January 1, 2017, the Represented Employee Retirement Plan was merged into the UTC Employee Retirement Plan. As a result, assets totaling \$5,414 million were transferred into the Employee Retirement Plan effective January 1, 2017. In addition, benefit obligations totaling \$6,062 million were transferred into the Employee Retirement Plan effective January 1, 2017.

During the year ended December 31, 2017, UTC transferred \$18,222,345 thousand of assets from the Employee Retirement Plan to the UTC Legacy Retirement Plan. Vested terminated participant accounts (i.e., vested participant accounts who are no longer accruing a Plan benefit and are no longer actively employed by the Company or any participating business unit or subsidiary) were transferred into the Legacy Retirement Plan. The actuarial present value of accumulated plan benefits at December 31, 2016, does not reflect the impact of the transfer on the Plans liability.

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.

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

Notes to Financial Statements

December 31, 2017 and 2016

**(b) Vesting and Benefit Provisions**

*(i) 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 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 were frozen effective December 31, 2014.

*(ii) 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.

*(iii) Represented Employee Retirement Plan Provisions*

Under the terms of the Plan, former participants of the Represented Employee Retirement Plan 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. Eligible employees are entitled to monthly pension benefits based upon the participant's years of credited service and fixed benefit rates. The rates vary for each business division.

Eligible participants could receive early retirement benefits, reduced in a manner set forth in the plan document, based upon age and service at termination.

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If, upon termination, the present value of the pension benefit as of the participant's normal retirement age is less than or equal to \$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 benefits and pre-retirement death benefits for certain groups of employees.

**(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, disclosure of contingent assets and liabilities, 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.

**(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, for the years ended December 31, 2017 and 2016 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 and Party-in-Interest 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

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ended December 31, 2017 and 2016, 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 \$67,976 thousand and \$54,004 thousand, respectively. For the years ended December 31, 2017 and 2016, fees paid by the Plan for investment advisory services, trustee and administrative expenses to the Insurance Companies amounted to \$1,366 thousand and \$1,279 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*.

**(g) Master Trust**

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

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

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

**(h) Risks and Uncertainties**

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

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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.
- **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.

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**(3) Plan Merger**

Effective on January 1, 2017, the Represented Employee Retirement Plan was merged into the UTC Employee Retirement Plan. As a result, assets totaling \$5,414 million were transferred into the Employee Retirement Plan effective January 1, 2017. In addition, benefit obligations totaling \$6,062 million were transferred into the Employee Retirement Plan effective January 1, 2017.

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

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

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

The significant actuarial assumptions used in the valuation to determine benefit obligations as of December 31, 2016 were:

|                                                 | <u>2016</u>               |
|-------------------------------------------------|---------------------------|
| a. Discount rate                                | 4.01% per year            |
| b. Mortality table / Mortality projection scale | RP-2014 / MP-2017         |
| c. Retirement age                               | Decrement averaging at 61 |

The present value of accumulated plan benefits as of December 31, 2016 increased by \$493 million due to changes in actuarial assumptions mainly as a result of a decrease in the discount rate assumption from 4.28% at December 31, 2015 to 4.01% at December 31, 2016.

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 2017 at age 65 is \$5,369 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

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

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

|                                                          |    | <b>December 31</b>             |                   |
|----------------------------------------------------------|----|--------------------------------|-------------------|
|                                                          |    | <b>2017</b>                    | <b>2016</b>       |
| Immediate participation guarantee funds (contract value) | \$ | 76,884,631                     | 65,319,278        |
| Separate accounts (fair value)                           |    | 2,954,901                      | 2,343,573         |
|                                                          | \$ | <u>79,839,532</u>              | <u>67,662,851</u> |
|                                                          |    | <b>Years ended December 31</b> |                   |
|                                                          |    | <b>2017</b>                    | <b>2016</b>       |
| Interest income                                          | \$ | 3,519,051                      | 3,512,925         |
| Net appreciation in separate accounts                    |    | 108,366                        | 463,023           |
|                                                          | \$ | <u>3,627,417</u>               | <u>3,975,948</u>  |

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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, 2017 and 2016. 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 7).

| <b>Fair value measurements as of December 31, 2017</b> |                |                |                |                   |
|--------------------------------------------------------|----------------|----------------|----------------|-------------------|
|                                                        | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Fair value</b> |
| Separate accounts (fixed income)                       | \$ —           | 2,954,901      | —              | 2,954,901         |
| Total at fair value                                    | \$ —           | 2,954,901      | —              | 2,954,901         |

  

| <b>Fair value measurements as of December 31, 2016</b> |                |                |                |                   |
|--------------------------------------------------------|----------------|----------------|----------------|-------------------|
|                                                        | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Fair value</b> |
| Separate accounts (fixed income)                       | \$ —           | 2,343,573      | —              | 2,343,573         |
| Total at fair value                                    | \$ —           | 2,343,573      | —              | 2,343,573         |

Separate Accounts are valued at fair value based on underlying fixed income securities that are generally valued using current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. There have been no changes in the methodologies used at December 31, 2017 and 2016, and there were no transfers between levels for the year ended December 31, 2017.

**(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 \$344,159 thousand and \$302,057 thousand at December 31, 2017 and 2016, respectively. UTC stock held in the Master Trust represents approximately 1.3% and 1.4% of the Master Trust's Net Assets at December 31, 2017 and 2016, respectively.

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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:

**Master Trust Statements of Net Assets**

|                                                                                      | <b>December 31,</b> |             |
|--------------------------------------------------------------------------------------|---------------------|-------------|
|                                                                                      | <b>2017</b>         | <b>2016</b> |
|                                                                                      | (In thousands)      |             |
| <b>Assets:</b>                                                                       |                     |             |
| <b>Investments:</b>                                                                  |                     |             |
| Cash and equivalents                                                                 | \$ 1,820,383        | 2,667,717   |
| Equity securities, including \$344,159 at 2017 and<br>\$302,057 at 2016 of UTC stock | 3,044,127           | 4,555,329   |
| Common collective trusts                                                             | 2,692,104           | 1,596,873   |
| <b>Debt securities:</b>                                                              |                     |             |
| Corporate debt                                                                       | 10,840,224          | 7,023,278   |
| U.S. government and related agency obligations                                       | 1,591,690           | 480,191     |
| Derivatives                                                                          | 57,777              | (8,348)     |
| Real estate                                                                          | 1,462,394           | 1,453,283   |
| Limited partnerships                                                                 | 5,005,281           | 4,808,918   |
| Other                                                                                | 689,372             | 661,059     |
| Subtotal                                                                             | 27,203,352          | 23,238,300  |
| Interest and dividends receivable                                                    | 127,173             | 92,320      |
| Other receivables                                                                    | 248,311             | 319,712     |
| Total assets                                                                         | 27,578,836          | 23,650,332  |
| <b>Liabilities:</b>                                                                  |                     |             |
| Other payables                                                                       | 288,137             | 332,287     |
| Total liabilities                                                                    | 288,137             | 332,287     |
| Net assets                                                                           | \$ 27,290,699       | 23,318,045  |
| Net assets of the Master Trust allocable to the Plan                                 | \$ 7,995,212        | 17,212,420  |
| Percentage of Plan's interest in the Master Trust                                    | 29%                 | 74%         |

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

|                                                                                                                         | <b>Year ended December 31</b> |             |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------|
|                                                                                                                         | <b>2017</b>                   | <b>2016</b> |
|                                                                                                                         | (In thousands)                |             |
| Additions:                                                                                                              |                               |             |
| Interest income                                                                                                         | \$ 374,117                    | 327,671     |
| Dividend income                                                                                                         | 85,246                        | 131,232     |
| Net appreciation in value of invested assets                                                                            | 3,032,445                     | 2,112,174   |
| Other income                                                                                                            | 110,983                       | 93,893      |
| Total net additions                                                                                                     | 3,602,791                     | 2,664,970   |
| Deductions:                                                                                                             |                               |             |
| Investment advisors' and trustee's fees                                                                                 | (114,246)                     | (80,956)    |
| Total deductions                                                                                                        | (114,246)                     | (80,956)    |
| Net increase prior to contributions, distributions,<br>and other nonallocable activity                                  | 3,488,545                     | 2,584,014   |
| Contributions, distributions, and other nonallocable activity,<br>net                                                   | 484,109                       | (2,839,371) |
| Net increase (decrease) in net assets                                                                                   | 3,972,654                     | (255,357)   |
| Net assets:                                                                                                             |                               |             |
| Beginning of year                                                                                                       | 23,318,045                    | 23,573,402  |
| End of year                                                                                                             | 27,290,699                    | 23,318,045  |
| Net increase allocable to the Plan                                                                                      | \$ 2,693,701                  | 1,968,273   |
| Percentage of Plan's interest in net increase prior to<br>contributions, distributions, and other nonallocable activity | 77%                           | 76%         |

The Master Trust had contributions of \$2,324,805,000 and \$218,350,000, offset by distributions of \$1,840,696,000 and \$3,057,721,000 for the years ended December 31, 2017, and 2016, respectively.

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During the years ended December 31, 2017 and 2016, the Master Trust's investments (including investments bought and sold, as well as investments held during the year) appreciated as follows:

|                         | <b>Net appreciation in fair value</b> |                  |
|-------------------------|---------------------------------------|------------------|
|                         | <b>2017</b>                           | <b>2016</b>      |
|                         | (In thousands)                        |                  |
| Equity securities       | \$ 829,974                            | 363,370          |
| Common collective trust | 466,983                               | 141,419          |
| Debt securities         | 557,776                               | 328,981          |
| Limited partnerships    | 399,730                               | 302,629          |
| Derivatives             | 701,058                               | 878,169          |
| Real estate             | 52,085                                | 97,517           |
| Other                   | 24,839                                | 89               |
|                         | <u>\$ 3,032,445</u>                   | <u>2,112,174</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, 2017 and 2016.

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, 2017, 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 carried at fair value using NAV per share/unit as a practical expedient on the valuation date. There are no unfunded commitments and investments can be redeemed monthly with 30-120 days notice.

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Limited partnerships, valued using NAV per share practical expedient, 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, net that are measured at fair value on a recurring basis is as follows at December 31, 2017 and 2016 (in thousands):

| Fair value measurements as of December 31, 2017 |            |           |         |           |
|-------------------------------------------------|------------|-----------|---------|-----------|
|                                                 | Level 1    | Level 2   | Level 3 | Total     |
| Cash and equivalents                            | \$ 174,971 | 1,645,412 | —       | 1,820,383 |
| Equity:                                         |            |           |         |           |
| Aerospace/defense                               | 382,279    | —         | —       | 382,279   |
| Automotive                                      | 41,688     | —         | —       | 41,688    |
| Banks                                           | 200,805    | —         | —       | 200,805   |
| Food and beverage                               | 128,452    | —         | —       | 128,452   |
| Chemicals                                       | 91,001     | —         | —       | 91,001    |
| Computers                                       | 87,523     | —         | —       | 87,523    |
| Financial services                              | 84,448     | —         | —       | 84,448    |
| Electrical components                           | 95,483     | —         | —       | 95,483    |
| Oil and gas                                     | 117,641    | —         | —       | 117,641   |
| Healthcare                                      | 115,080    | —         | —       | 115,080   |
| Insurance                                       | 105,359    | —         | —       | 105,359   |
| Telecommunications                              | 51,528     | —         | —       | 51,528    |
| Pharmaceuticals                                 | 107,513    | —         | —       | 107,513   |
| Retail                                          | 188,215    | —         | —       | 188,215   |
| Software                                        | 96,729     | —         | —       | 96,729    |
| Other                                           | 1,128,598  | 21,785    | —       | 1,150,383 |
| Total equity                                    | 3,022,342  | 21,785    | —       | 3,044,127 |

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| Fair value measurements as of December 31, 2017 |              |            |           |            |
|-------------------------------------------------|--------------|------------|-----------|------------|
|                                                 | Level 1      | Level 2    | Level 3   | Total      |
| Common collective trusts:                       |              |            |           |            |
| Other                                           | \$ 176,603   | —          | —         | 176,603    |
| Common collective trusts                        | 176,603      | —          | —         | 176,603    |
| Debt securities:                                |              |            |           |            |
| Banking and finance                             | —            | 1,989,916  | —         | 1,989,916  |
| Food, beverage, and tobacco                     | —            | 315,876    | —         | 315,876    |
| Healthcare                                      | —            | 1,140,590  | —         | 1,140,590  |
| Insurance                                       | —            | 401,933    | —         | 401,933    |
| Retail                                          | —            | 424,731    | —         | 424,731    |
| Oil and Gas                                     | —            | 523,527    | —         | 523,527    |
| Technology                                      | —            | 931,826    | —         | 931,826    |
| Utilities                                       | —            | 1,903,147  | —         | 1,903,147  |
| Other                                           | —            | 3,208,678  | —         | 3,208,678  |
| U.S. government and related agency obligations  | 1,588,265    | 3,425      | —         | 1,591,690  |
| Total debt                                      | 1,588,265    | 10,843,649 | —         | 12,431,914 |
| Derivatives                                     | 56,292       | 1,485      | —         | 57,777     |
| Real estate                                     | —            | —          | 1,333,289 | 1,333,289  |
| Limited Partnerships                            | 762          | —          | 1,499,700 | 1,500,462  |
| Other                                           | 23,721       | —          | —         | 23,721     |
| Total assets at fair value                      | \$ 5,042,956 | 12,512,331 | 2,832,989 | 20,388,276 |
| Common collective trusts                        |              |            |           | 2,515,501  |
| Limited partnerships (a)                        |              |            |           | 3,504,819  |
| Real estate                                     |              |            |           | 129,105    |
| Other                                           |              |            |           | 665,651    |
| Total assets                                    |              |            | \$        | 27,203,352 |

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

Notes to Financial Statements

December 31, 2017 and 2016

- (a) Limited partnerships include investment in domestic private equity funds with monthly redemption frequency and 30 days' notice. Certain other limited partnerships include investment in private equity both domestically and internationally which can never be redeemed during the life of the funds. Approximately 67% of the funds have a life up to 5 years and approximately 33% have a life of 5 years to 10 years. Unfunded commitments total approximately \$502 million. Real estate includes real estate funds with quarterly redemption frequency and 60 days' notice. In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the statement of net assets available for plan benefits.

| Fair value measurements as of December 31, 2016 |            |           |         |           |
|-------------------------------------------------|------------|-----------|---------|-----------|
|                                                 | Level 1    | Level 2   | Level 3 | Total     |
| Cash and equivalents                            | \$ 505,357 | 2,162,360 | —       | 2,667,717 |
| Equity:                                         |            |           |         |           |
| Aerospace/Defense                               | 339,503    | —         | —       | 339,503   |
| Automotive                                      | 72,203     | —         | —       | 72,203    |
| Banks                                           | 385,063    | —         | —       | 385,063   |
| Food and beverage                               | 213,301    | —         | —       | 213,301   |
| Chemicals                                       | 103,737    | —         | —       | 103,737   |
| Computers                                       | 129,653    | —         | —       | 129,653   |
| Financial services                              | 138,287    | —         | —       | 138,287   |
| Electrical components                           | 202,056    | —         | —       | 202,056   |
| Oil and gas                                     | 244,454    | —         | —       | 244,454   |
| Healthcare                                      | 149,447    | —         | —       | 149,447   |
| Insurance                                       | 216,547    | —         | —       | 216,547   |
| Telecommunications                              | 94,987     | —         | —       | 94,987    |
| Pharmaceuticals                                 | 265,937    | —         | —       | 265,937   |
| Retail                                          | 223,382    | —         | —       | 223,382   |
| Software                                        | 164,693    | —         | —       | 164,693   |
| Other                                           | 1,589,901  | 22,178    | —       | 1,612,079 |
| Total equity                                    | 4,533,151  | 22,178    | —       | 4,555,329 |
| Common collective trusts:                       |            |           |         |           |
| Other                                           | 206,504    | —         | —       | 206,504   |
| Common collective trusts                        | 206,504    | —         | —       | 206,504   |

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

Notes to Financial Statements

December 31, 2017 and 2016

| Fair value measurements as of December 31, 2016 |              |           |           |               |
|-------------------------------------------------|--------------|-----------|-----------|---------------|
|                                                 | Level 1      | Level 2   | Level 3   | Total         |
| Debt securities:                                |              |           |           |               |
| Banking and finance                             | \$ —         | 1,068,552 | —         | 1,068,552     |
| Food, Beverage, and Tobacco                     | —            | 261,567   | —         | 261,567       |
| Healthcare                                      | —            | 776,401   | —         | 776,401       |
| Insurance                                       | —            | 284,578   | —         | 284,578       |
| Retail                                          | —            | 377,045   | —         | 377,045       |
| Oil and Gas                                     | —            | 297,281   | —         | 297,281       |
| Technology                                      | —            | 527,085   | —         | 527,085       |
| Utilities                                       | —            | 1,212,768 | —         | 1,212,768     |
| Other                                           | —            | 2,218,000 | —         | 2,218,000     |
| U.S. government and related agency obligations  | 473,715      | 6,476     | —         | 480,191       |
| Total debt securities                           | 473,715      | 7,029,753 | —         | 7,503,468     |
| Derivatives                                     | (8,348)      | —         | —         | (8,348)       |
| Real estate                                     | —            | —         | 1,258,838 | 1,258,838     |
| Limited Partnerships                            | 112          | —         | 148,391   | 148,503       |
| Other                                           | 16,817       | —         | —         | 16,817        |
| Total investments at fair value                 | \$ 5,727,308 | 9,214,291 | 1,407,229 | 16,348,828    |
| Common collective trusts                        |              |           |           | 1,390,369     |
| Limited partnerships (a)                        |              |           |           | 4,660,415     |
| Real estate                                     |              |           |           | 194,445       |
| Other                                           |              |           |           | 644,243       |
| Total investments                               |              |           |           | \$ 23,238,300 |

- (a) Limited partnerships include investment in domestic private equity funds with monthly redemption frequency and 30 days' notice. Certain other limited partnerships include investment in private equity both domestically and internationally which can never be redeemed during the life of the funds. Approximately 48% of the funds have a life up to 5 years and approximately 52% have a life of 5 years to 10 years. Unfunded commitments total approximately \$454 million. Real estate includes real estate funds with quarterly redemption frequency and 60 days' notice. In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the statement of net assets available for plan benefits.

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

Notes to Financial Statements

December 31, 2017 and 2016

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

**(a) 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, 2017 and 2016 (in thousands):

| <b>Level 3 assets 2017</b>                                                            |                                 |                        |                  |
|---------------------------------------------------------------------------------------|---------------------------------|------------------------|------------------|
|                                                                                       | <b>Limited<br/>partnerships</b> | <b>Real<br/>estate</b> | <b>Total</b>     |
| Balance at December 31, 2016                                                          | \$ 148,391                      | 1,258,838              | 1,407,229        |
| Realized gains                                                                        | 4,096                           | 92,494                 | 96,590           |
| Unrealized gains (losses) relating to<br>instruments still held at the reporting date | 59,273                          | (40,409)               | 18,864           |
| Purchases                                                                             | 1,305,958                       | 491,368                | 1,797,326        |
| Sales                                                                                 | (18,018)                        | (469,002)              | (487,020)        |
| Transfer between classifications                                                      | —                               | —                      | —                |
| Balance at December 31, 2017                                                          | \$ <u>1,499,700</u>             | <u>1,333,289</u>       | <u>2,832,989</u> |

| <b>Level 3 assets 2016</b>                                                            |                                 |                        |                  |
|---------------------------------------------------------------------------------------|---------------------------------|------------------------|------------------|
|                                                                                       | <b>Limited<br/>partnerships</b> | <b>Real<br/>estate</b> | <b>Total</b>     |
| Balance at December 31, 2015                                                          | \$ —                            | 1,346,715              | 1,346,715        |
| Realized gains                                                                        | 2                               | 64,067                 | 64,069           |
| Unrealized gains (losses) relating to<br>instruments still held at the reporting date | 20,905                          | 33,450                 | 54,355           |
| Purchases                                                                             | 157,279                         | 54,504                 | 211,783          |
| Sales                                                                                 | (2)                             | (239,898)              | (239,900)        |
| Transfer between classifications                                                      | (29,793)                        | —                      | (29,793)         |
| Balance at December 31, 2016                                                          | \$ <u>148,391</u>               | <u>1,258,838</u>       | <u>1,407,229</u> |

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2017 and 2016

**(b) 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, 2017, 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          | \$ 1,333,289 | Discounted Cash Flow Analysis                                                                                                                               | Revenue Growth Rate<br>Discount Rate<br>Exit Cap Rate                                                                                                                               | 0%–11%<br>6.5%–9.5%<br>5.75%–9%                                                             |
| Limited partnerships | \$ 1,499,700 | Market Value Comparable Company Analysis<br>Discounted Cash Flow Analysis<br>Expected Returns<br>Benchmark Pricing<br>Comparable Yields<br>Recent Financing | EBITDA Multiples<br>WACC<br>Illiquidity Discount<br>Control Premium<br>Lack of Control Discount<br>Tangible book value<br>Revenue Multiple<br>Terminal Capitalization Rate<br>Yield | 2.8X–20X<br>6%–25%<br>0%–37%<br>0%–30%<br>5%–17%<br>0X–0.8X<br>1X–5X<br>0%–7.5%<br>0%–22.5% |

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

**(c) 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, 2017 and 2016, the Master Trust had open foreign currency contracts to purchase approximately \$14 million and \$13 million, respectively, and sell approximately \$14 million and \$13 million, respectively, of various foreign currencies.

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2017 and 2016

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

The Internal Revenue Service has determined and informed the Plan Administrator by a letter dated November 30, 2016 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 legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2017 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) Related Party and Party in Interest Transactions**

As described in note 7, certain plan investments are shares of UTC stock. As described in note 2, the Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party in interest transactions under ERISA.

**(10) Subsequent Events**

The Plan Administrator evaluated subsequent events through September 28, 2018, the date of issuance of its financial statements and determined that there are no additional items to be disclosed.

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

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

December 31, 2017

| (a) | (b)<br>Identity of issuer, borrower,<br>lessor, or similar party | (c)<br>Description of investment including<br>maturity date, rate of interest,<br>collateral, par, or maturity value | (d)<br>Cost of<br>asset | (e)<br>Current<br>value |
|-----|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| *   | Prudential Retirement Insurance<br>and Annuity Company           | Immediate Participation Guarantee Fund                                                                               | \$ 70,943,819           | 70,943,819              |
| *   | Metropolitan Life Insurance Company                              | Immediate Participation Guarantee Fund                                                                               | 5,940,812               | 5,940,812               |
| *   | Metropolitan Life Insurance Company                              | Separate Accounts-Blackrock Managed<br>Broad Market Bond Fund                                                        | 2,954,901               | 2,954,901               |
|     | Total                                                            |                                                                                                                      | \$ <u>79,839,532</u>    | <u>79,839,532</u>       |

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

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

See accompanying independent auditors' report.

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

Counts

| 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 | 115                             | 215    | 2      | 0        | 0                | 0        | 0        | 0        | 0        | 0       |
| 25 to 29     | Count | 184                             | 443    | 112    | 15       | 0                | 0        | 0        | 0        | 0        | 0       |
| 30 to 34     | Count | 150                             | 439    | 643    | 489      | 12               | 0        | 0        | 0        | 0        | 0       |
| 35 to 39     | Count | 115                             | 356    | 472    | 877      | 403              | 13       | 0        | 0        | 0        | 0       |
| 40 to 44     | Count | 120                             | 330    | 481    | 744      | 873              | 266      | 1        | 0        | 0        | 0       |
| 45 to 49     | Count | 100                             | 309    | 457    | 803      | 970              | 459      | 291      | 23       | 0        | 0       |
| 50 to 54     | Count | 115                             | 359    | 491    | 910      | 1,381            | 601      | 1,025    | 642      | 21       | 0       |
| 55 to 59     | Count | 78                              | 313    | 420    | 828      | 1,655            | 550      | 850      | 1,123    | 1,024    | 26      |
| 60 to 64     | Count | 29                              | 138    | 251    | 571      | 1,042            | 303      | 466      | 498      | 1,106    | 449     |
| 65 to 69     | Count | 2                               | 29     | 64     | 153      | 215              | 74       | 96       | 104      | 162      | 239     |
| 70 & up      | Count | 0                               | 3      | 14     | 37       | 51               | 10       | 27       | 24       | 36       | 101     |
| Average Age: |       | 51.3                            |        |        |          | Average Service: |          | 18.1     |          |          |         |

\* Excludes 6,976 suspended participants (participants not accruing additional service as of January 1, 2017).

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

Average Earnings (Pay-related formulas only)

| 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            | 39                              | 56      | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 37,281                          | 54,384  |         |          |          |          |          |          |          |         |
| 25 to 29     | Count            | 61                              | 151     | 65      | 11       | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 41,501                          | 63,292  | 81,078  |          |          |          |          |          |          |         |
| 30 to 34     | Count            | 78                              | 195     | 550     | 370      | 7        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 54,750                          | 74,367  | 98,263  | 102,083  |          |          |          |          |          |         |
| 35 to 39     | Count            | 69                              | 177     | 396     | 655      | 309      | 7        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 56,573                          | 80,801  | 108,333 | 109,260  | 114,466  |          |          |          |          |         |
| 40 to 44     | Count            | 89                              | 201     | 401     | 585      | 702      | 150      | 1        | 0        | 0        | 0       |
|              | Average Earnings | 91,470                          | 100,564 | 115,852 | 111,488  | 119,245  | 130,651  |          |          |          |         |
| 45 to 49     | Count            | 81                              | 196     | 396     | 649      | 778      | 296      | 238      | 10       | 0        | 0       |
|              | Average Earnings | 89,451                          | 95,520  | 118,486 | 115,835  | 116,539  | 131,752  | 123,896  |          |          |         |
| 50 to 54     | Count            | 119                             | 246     | 409     | 749      | 1,146    | 377      | 791      | 463      | 15       | 0       |
|              | Average Earnings | 88,335                          | 99,573  | 113,718 | 112,291  | 120,580  | 125,450  | 132,354  | 137,719  |          |         |
| 55 to 59     | Count            | 102                             | 228     | 347     | 631      | 1,386    | 347      | 643      | 789      | 460      | 13      |
|              | Average Earnings | 85,699                          | 91,577  | 112,833 | 105,242  | 117,068  | 121,297  | 118,010  | 135,905  | 117,513  |         |
| 60 to 64     | Count            | 53                              | 100     | 192     | 417      | 862      | 186      | 331      | 290      | 529      | 63      |
|              | Average Earnings | 87,861                          | 92,759  | 93,718  | 102,823  | 106,827  | 111,332  | 105,351  | 119,689  | 128,956  | 96,740  |
| 65 to 69     | Count            | 11                              | 23      | 54      | 115      | 165      | 49       | 55       | 53       | 59       | 53      |
|              | Average Earnings |                                 | 85,422  | 104,704 | 99,783   | 104,686  | 92,689   | 99,966   | 111,908  | 122,511  | 126,538 |
| 70 & up      | Count            | 1                               | 2       | 10      | 31       | 33       | 7        | 17       | 12       | 7        | 18      |
|              | Average Earnings |                                 |         |         | 89,486   | 96,641   |          |          |          |          |         |

\* Excludes 5,931 suspended participants (participants not accruing additional service as of January 1, 2017).

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

Average 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                | 39                              | 39     | 0      | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 551                             | 2,663  |        |          |          |          |          |          |          |         |
| 25 to 29     | Count                | 45                              | 101    | 63     | 11       | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 578                             | 4,130  | 15,743 |          |          |          |          |          |          |         |
| 30 to 34     | Count                | 67                              | 143    | 544    | 365      | 7        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,410                           | 6,825  | 24,243 | 31,207   |          |          |          |          |          |         |
| 35 to 39     | Count                | 55                              | 140    | 381    | 637      | 309      | 7        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,481                           | 9,995  | 34,992 | 41,696   | 36,631   |          |          |          |          |         |
| 40 to 44     | Count                | 71                              | 181    | 384    | 573      | 693      | 149      | 1        | 0        | 0        | 0       |
|              | Average Cash Balance | 3,211                           | 15,660 | 46,605 | 53,575   | 40,027   | 35,617   |          |          |          |         |
| 45 to 49     | Count                | 48                              | 182    | 389    | 642      | 769      | 294      | 238      | 10       | 0        | 0       |
|              | Average Cash Balance | 3,814                           | 15,780 | 57,002 | 67,350   | 37,816   | 32,849   | 21,452   |          |          |         |
| 50 to 54     | Count                | 59                              | 232    | 399    | 733      | 1,135    | 369      | 784      | 458      | 15       | 0       |
|              | Average Cash Balance | 4,333                           | 18,258 | 63,068 | 73,568   | 33,702   | 34,254   | 27,792   | 25,794   |          |         |
| 55 to 59     | Count                | 47                              | 219    | 341    | 622      | 1,377    | 337      | 636      | 771      | 446      | 12      |
|              | Average Cash Balance | 5,205                           | 15,825 | 68,701 | 73,111   | 30,470   | 32,411   | 25,331   | 26,085   | 23,110   |         |
| 60 to 64     | Count                | 22                              | 98     | 190    | 413      | 853      | 181      | 323      | 281      | 520      | 58      |
|              | Average Cash Balance | 5,035                           | 16,113 | 60,659 | 75,166   | 28,893   | 24,608   | 20,983   | 25,947   | 23,078   | 16,020  |
| 65 to 69     | Count                | 1                               | 23     | 54     | 114      | 163      | 48       | 55       | 50       | 56       | 50      |
|              | Average Cash Balance |                                 | 15,517 | 69,852 | 76,840   | 33,017   | 17,231   | 22,913   | 25,808   | 21,256   | 23,616  |
| 70 & up      | Count                | 0                               | 2      | 10     | 30       | 33       | 6        | 17       | 12       | 7        | 17      |
|              | Average Cash Balance |                                 |        |        | 42,236   | 15,452   |          |          |          |          |         |

\* Excludes 1,549 suspended participants (participants not accruing additional service as of January 1, 2017).

# Statement of actuarial assumptions and methods

| Economic Assumptions                    |                        |
|-----------------------------------------|------------------------|
|                                         | ERP                    |
| Interest rate basis:                    |                        |
| ▶ Applicable month                      | September 2016         |
| ▶ Yield curve basis                     | Segment rates          |
| Interest rates:                         |                        |
|                                         | Reflecting<br>Corridor |
| First segment rate                      | 4.16%                  |
| Second segment rate                     | 5.72%                  |
| Third segment rate                      | 6.48%                  |
| Effective interest rate                 | 5.84%                  |
| 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%                  |

## 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 and Disabled                            |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ► Funding                                                 | Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2024 using Scale AA).                                                                                                                                            |
| Termination                                               | Rates varying by age and service<br>See Exhibit A                                                                                                                                                                                                                                                                                                                                                                             |
| Disability                                                | Rates varying by age<br>See Exhibits B and D                                                                                                                                                                                                                                                                                                                                                                                  |
| Retirement                                                | Rates varying by age<br>See Exhibit C                                                                                                                                                                                                                                                                                                                                                                                         |
| Unpredictable Contingent Event Benefit (UCEB) assumptions | For Union ERP participants, 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 Willis Towers Watson’s assignment and would have required substantial additional work.                                                          |
| Benefit commencement dates                                | Preretirement death benefit: The later of death of the active participant or the date the participant would have attained age 55.<br><br>Deferred vested benefit: Participants eligible for an unreduced benefit at age 62 are assumed to commence at age 62. All other participants are assumed to commence at age 65.<br><br>Disability benefit: Upon disablement<br><br>Retirement benefit: Upon termination of employment |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form of payment<br>(Active retirements) | <p>For Salaried and Non-Union Hourly ERP cash balance participants: 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 all other Salaried and Non-Union Hourly ERP groups: 30% lump sum and 70% annuity; For annuity elections: 50% elect life annuity, 25% elect 50% CA, and 25% elect 100% CA;</p> <p>For Union ERP cash balance participants: immediate lump sum;</p> <p>For all other Union ERP groups: 50% elect life annuity, 25% elect 50% CA, and 25% elect 100% CA;</p> |
| Percent married                         | <p>100% for all Salaried and Non-Union Hourly ERP;</p> <p>100% at age 55 for Union ERP sub-plans with the 100% CA annuity that allows non-spouse beneficiaries;</p> <p>81% for all others in Union ERP (with the exception of Goodrich);</p> <p>100% for Union ERP Rep Goodrich participants with the salaried formula and 60% for all other Union ERP Goodrich participants.</p>                                                                                                                                                                                          |
| Spouse age                              | Females three years younger than males.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Covered pay                             | For current year hires, the maximum of pay rate and the prior year's pensionable earnings, annualized and increased by 4.50%. For participants on leave of absence, pay rate. For all other participants, prior year's pensionable earnings increased by 4.50%.                                                                                                                                                                                                                                                                                                            |
| Administrative expenses                 | For ERP: 0.35% of the fair value of assets;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Loads                                   | For ERP vested terminations, the PPA 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 as required by regulations under IRC §430                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 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 as required by regulations under IRC §430                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Actuarial value of assets | <p>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 2016 plan year.)</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p> |
| Benefits not valued       | <p>All benefits described in the Plan Provisions attachment were valued. Willis 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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**Exhibit A**

Termination Assumptions

Annual Rates per 1,000 Participants

Plan: ERP (Salaried and Non-Union Hourly)

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             |

**Exhibit A (continued)**

**Termination Assumptions**

**Annual Rates per 1,000 Participants**

**Plan: ERP (Union)**

**Years of Service**

| Age | <u>0-5</u> | <u>5 and up</u> |
|-----|------------|-----------------|
| 25  | 120.4      | 80.5            |
| 30  | 107.6      | 80.5            |
| 35  | 98.2       | 70.5            |
| 40  | 82.3       | 57.5            |
| 45  | 78.7       | 46.3            |
| 50  | 66.2       | 37.0            |
| 55  | 66.2       | 32.3            |
| 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             |

**Exhibit B**

**Disability Assumptions**

**Annual Rates per 1,000 Participants**

**Plan: Salaried and Non-Union Hourly ERP  
(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  | 0.0  | 0.0    |

**Exhibit B (continued)**

**Disability Assumptions**

**Annual Rates per 1,000 Participants**

**Plan: Union Hourly ERP (excluding Goodrich participants)**

| Age | Male | Female |
|-----|------|--------|
| 25  | 0.3  | 0.5    |
| 30  | 0.4  | 0.6    |
| 35  | 0.5  | 0.8    |
| 40  | 0.7  | 1.0    |
| 45  | 1.0  | 1.5    |
| 50  | 1.8  | 2.6    |
| 55  | 3.6  | 4.9    |
| 60  | 9.0  | 12.1   |
| 65  | 0.0  | 0.0    |

**Exhibit C**

**Retirement Assumptions**

| Age | Salaried and Non-Union<br>Hourly ERP | Union Hourly ERP* |
|-----|--------------------------------------|-------------------|
| 55  | 0.05                                 | 0.02              |
| 56  | 0.05                                 | 0.02              |
| 57  | 0.075                                | 0.02              |
| 58  | 0.075                                | 0.03              |
| 59  | 0.075                                | 0.04              |
| 60  | 0.10                                 | 0.06              |
| 61  | 0.10                                 | 0.07              |
| 62  | 0.20                                 | 0.20              |
| 63  | 0.20                                 | 0.20              |
| 64  | 0.20                                 | 0.20              |
| 65  | 0.60                                 | 0.60              |
| 66  | 0.60                                 | 0.60              |
| 67  | 0.60                                 | 0.60              |
| 68  | 0.60                                 | 0.60              |
| 69  | 0.60                                 | 0.60              |
| 70  | 1.00                                 | 1.00              |

\* Carrier Indianapolis (BDP East) assumes 75% retirement at age 55 with 30 years of service. Goodrich Aerostructures assumes 75% retirement upon attainment of 30 years of service.

## Exhibit D - Legacy Goodrich Participants

### Disability

For non-Aerostructures, rates varying by age and sex  
Sample rate per 1,000 participants

| Number becoming disabled during the year |               |               |               |               |
|------------------------------------------|---------------|---------------|---------------|---------------|
| <u>Sex</u>                               | <u>Age 30</u> | <u>Age 40</u> | <u>Age 50</u> | <u>Age 60</u> |
| Male                                     | 1.200         | 1.470         | 3.565         | 13.800        |
| Female                                   | 1.800         | 2.205         | 5.350         | 20.700        |

For Aerostructures, rates varying by age and sex  
Sample rates per 1,000 participants

| Number becoming disabled during the year |               |               |               |               |
|------------------------------------------|---------------|---------------|---------------|---------------|
| <u>Sex</u>                               | <u>Age 30</u> | <u>Age 40</u> | <u>Age 50</u> | <u>Age 60</u> |
| Male                                     | 0.400         | 1.100         | 4.600         | 16.100        |
| Female                                   | 0.600         | 1.800         | 5.600         | 12.700        |

## Assumptions Rationale - Significant Economic Assumptions

|                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Funding discount rate</b>                                                                                      | The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Crediting rate on cash balance accounts</b>                                                                    | <p>The cash balance interest crediting rate under the UTC plans is generally based on the applicable months' 30-year US Treasury yield in the prior year, subject to plan-specific minimum rates -- 3.80% (UTC ERP salaried and Sikorsky Union ERP), 5.00% (UTC ERP Salaried and Non-Union Hourly Rocketdyne), 4.00% (UTC Non-Union Hourly ERP), and 5.00% (Legacy Goodrich cash balance benefit). UTC has reviewed the historic spread between the long-term high quality (AA) corporate bond yields and U.S. 30 year Treasury yields and has set and maintained the spread between the discount rate and interest crediting rate at 100 basis points.</p> <p>After examining historical variability in this rate, and considering the increase in interest crediting expected to be caused by the minimum interest credit, we believe that the selected assumption does not significantly conflict with what would be reasonable based on market conditions at the measurement date.</p> |
| <b>Annuity / Lump Sum conversion rate</b>                                                                         | The assumed annuity conversion rate is equivalent to the discount rate; We believe that the selected assumption does not significantly conflict with what would be reasonable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Rates of increase in compensation, future Social Security Wage bases, and statutory limits on compensation</b> | Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience. We believe that the selected assumption does not significantly conflict with what would be reasonable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Administrative expenses</b>                                                                                    | Administrative expenses are estimated based on historical experience and future expectation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Assumptions Rationale - Significant Demographic Assumptions

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Termination / Retirement / Disability</b>           | The disability assumptions were selected by UTC based on prior reviews of participant experience data. An experience study prepared in 2015 was the basis for the updated termination and retirement assumptions.                                                                                                                                                                    |
| <b>Benefit commencement date for deferred benefits</b> | The assumptions were selected by UTC based on an experience study prepared in 2015.                                                                                                                                                                                                                                                                                                  |
| <b>Form of payment</b>                                 | The form of payment for the traditional UTC plans (non-cash balance) was set by UTC based on reviews of actual participant elections in recent lump sum window programs. For the cash balance plans, based on limited data available, UTC elected to assume a 100% lump sum election at termination (with a 25% deferral assumption for terminations prior to early retirement age). |
| <b>Marital Assumptions</b>                             |                                                                                                                                                                                                                                                                                                                                                                                      |
| ▶ Percent married                                      | The assumed percentage married was set based on UTC's observations regarding its employee population. For plans that permit a non-spouse beneficiary, a 100% married assumption was selected to account for the additional benefits available for a non-spouse beneficiary.                                                                                                          |
| ▶ Spouse age                                           | The assumed age difference for spouses is based on general population statistics on the age difference for married individuals of retirement age.                                                                                                                                                                                                                                    |

## Source of Prescribed Methods

|                        |                                                                                                                                                                                                                                                                                                                                                |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Funding methods</b> | The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430. |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**SCHEDULE SB  
(Form 5500)**Department of the Treasury  
Internal Revenue ServiceDepartment of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2017****This Form is Open to Public  
Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

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

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

**Part I Basic Information**

|                                                                                                                                                                                                                |                            |                           |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>                                                                                                                              |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                               |                            |                           |                          |
| <b>a</b> Market value.....                                                                                                                                                                                     |                            | <b>2a</b>                 | 24,527,843,649           |
| <b>b</b> Actuarial value.....                                                                                                                                                                                  |                            | <b>2b</b>                 | 24,320,023,926           |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                            | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | 91,236                     | 13,022,567,414            | 13,022,567,414           |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | 22,792                     | 2,251,529,901             | 2,251,529,901            |
| <b>c</b> For active participants.....                                                                                                                                                                          | 36,964                     | 4,928,868,562             | 5,064,119,646            |
| <b>d</b> Total.....                                                                                                                                                                                            | 150,992                    | 20,202,965,877            | 20,338,216,961           |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>                                                                                               |                            |                           |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions.....                                                                                                                                       |                            | <b>4a</b>                 |                          |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor..... |                            | <b>4b</b>                 |                          |
| <b>5</b> Effective interest rate.....                                                                                                                                                                          |                            | <b>5</b>                  | 5.84%                    |
| <b>6</b> Target normal cost.....                                                                                                                                                                               |                            | <b>6</b>                  | 249,489,107              |

**Statement by Enrolled Actuary**

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

|                               |                                                                                     |                                        |
|-------------------------------|-------------------------------------------------------------------------------------|----------------------------------------|
| <b>SIGN HERE</b>              |  | <u>9/21/2018</u>                       |
| Signature of actuary          |                                                                                     | Date                                   |
| Jay Mitchell, F.S.A.          |                                                                                     | 1705718                                |
| Type or print name of actuary |                                                                                     | Most recent enrollment number          |
| Towers Watson Delaware Inc.   |                                                                                     | 212-309-3479                           |
| Firm name                     |                                                                                     | Telephone number (including area code) |
| 200 Liberty Street            |                                                                                     |                                        |
| New York NY 10281             |                                                                                     |                                        |
| 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, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2017

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                     | (a) Carryover balance | (b) Prefunding balance |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....                                                             | 2,072,588,432         | 0                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                         | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8).....                                                                                                                | 2,072,588,432         | 0                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>11.59%</u> .....                                                                                | 240,212,999           | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                      |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year).....                                                                                      |                       | 1,781,914,057          |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.05%</u> ..... |                       | 107,805,800            |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                       |                       | 1,889,719,857          |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                                                                                      |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                   | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....                                                                         | 2,312,801,431         | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 108.20% |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                               | <b>15</b> | 118.86% |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 114.22% |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %       |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 07/01/2017               | 0                                 | 180,624                         |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
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|                          |                                   |                                 |                          |                                   |                                 |
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|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b> 180,624            |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                        |            |   |
|------------------------------------------------------------------------------------------------------------------------|------------|---|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years.....                    | <b>19a</b> | 0 |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                     | <b>19b</b> | 0 |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 0 |

**20** Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year?..... ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---------|---------|---------|---------|
|         |         |         |         |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost****21** Discount rate:**a** Segment rates:1st segment:  
4.16 %2nd segment:  
5.72 %3rd segment:  
6.48 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

**22** Weighted average retirement age .....**22**

62

**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**

249,489,107

**b** Excess assets, if applicable, but not greater than line 31a .....**31b**

249,489,107

**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**

0

Carryover balance

Prefunding balance

Total balance

**35** Balances elected for use to offset funding requirement.....

0

0

0

**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 SB, Line 7 and Line 11**  
**Explanation of Discrepancy in Prior Year**  
**Funding Standard Carryover Balance and Prefunding Balance and Prior Year**  
**Excess Contributions**

**Plan Sponsor** United Technologies Corporation

**EIN/PN** 06-0570975 / 001

**Plan Name** UTC Employee Retirement Plan

**Valuation Date** January 1, 2017

**Enrolled Actuary** Jay Mitchell, F.S.A.

**Enrollment Number** 17-05718

The Funding Standard Carryover Balance was \$1,312,932,513 on line 13 of the prior year Schedule SB and is \$2,072,588,432 on line 7 of the current year Schedule SB. The balance has been adjusted due to the January 1, 2017 merger of the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001) and the United Technologies Corporation Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010), as shown below:

| Line Item                                                                                                                                   | UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001)<br>"A" | UTC Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010)<br>"B" | Reported on current year Schedule SB<br>= "A" + "B" |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------|
| 7. Balance at beginning of prior year after applicable adjustments (line 13 from prior year)                                                | \$1,312,932,513                                                 | \$759,655,919                                                               | \$2,072,588,432                                     |
| 11. Prior year's excess contributions to be added to prefunding balance:                                                                    |                                                                 |                                                                             |                                                     |
| 11. a. Present value of excess contributions (line 38a from prior year)                                                                     | \$1,346,108,318                                                 | \$435,805,739                                                               | \$1,781,914,057                                     |
| Prior year effective interest rate (line 5 from prior year)                                                                                 | 6.05%                                                           | 6.05%                                                                       | n/a                                                 |
| 11. b(1). Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate | \$81,439,553                                                    | \$26,366,247                                                                | \$107,805,800                                       |
| 11. b(2). Interest on line 38b from prior year Schedule SB, using prior year's actual return                                                | \$0                                                             | \$0                                                                         | \$0                                                 |

**Schedule SB, Line 16**  
**Explanation of Discrepancy in Prior Year**  
**Funding Percentage**

**Plan Sponsor** United Technologies Corporation

**EIN/PN** 06-0570975 / 001

**Plan Name** UTC Employee Retirement Plan

**Valuation Date** January 1, 2017

**Enrolled Actuary** Jay Mitchell, F.S.A.

**Enrollment Number** 17-05718

The prior year funding percentage was 113.80% on line 15 of the prior year Schedule SB and is 114.22% on line 16 of the current year Schedule SB. The funding percentage has been adjusted due to the January 1, 2017 merger of the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001) and the United Technologies Corporation Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010), as shown below:

| Line Item                                                                                                                                                  | UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001)<br>"A" | UTC Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010)<br>"B" | Reported on current year Schedule SB<br>= "A" + "B" |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------|
| Actuarial value of assets (line 2b from prior year)                                                                                                        | \$18,680,811,831                                                | \$5,798,689,018                                                             | \$24,479,500,849                                    |
| Funding target (line 3d(3) from prior year)                                                                                                                | \$16,414,175,410                                                | \$5,016,269,000                                                             | \$21,430,444,410                                    |
| Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 113.80%                                                         | 115.59%                                                                     | 114.22%                                             |

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

**Salaried & Non-Union Hourly ERP**

| (1) | (2)              | (3)   | (4)                                              | (5)                                       |
|-----|------------------|-------|--------------------------------------------------|-------------------------------------------|
| Age | Retirement<br>Qx | tPx   | Number of<br>Expected<br>Retirements<br>=(2)x(3) | Weighted<br>Retirement<br>Age<br>=(1)x(4) |
| 55  | 0.050            | 1.000 | 0.050                                            | 2.750                                     |
| 56  | 0.050            | 0.950 | 0.048                                            | 2.660                                     |
| 57  | 0.075            | 0.903 | 0.068                                            | 3.858                                     |
| 58  | 0.075            | 0.835 | 0.063                                            | 3.631                                     |
| 59  | 0.075            | 0.772 | 0.058                                            | 3.417                                     |
| 60  | 0.100            | 0.714 | 0.071                                            | 4.286                                     |
| 61  | 0.100            | 0.643 | 0.064                                            | 3.921                                     |
| 62  | 0.200            | 0.579 | 0.116                                            | 7.174                                     |
| 63  | 0.200            | 0.463 | 0.093                                            | 5.832                                     |
| 64  | 0.200            | 0.370 | 0.074                                            | 4.740                                     |
| 65  | 0.600            | 0.296 | 0.178                                            | 11.553                                    |
| 66  | 0.600            | 0.118 | 0.071                                            | 4.692                                     |
| 67  | 0.600            | 0.047 | 0.028                                            | 1.905                                     |
| 68  | 0.600            | 0.019 | 0.011                                            | 0.774                                     |
| 69  | 0.600            | 0.008 | 0.005                                            | 0.314                                     |
| 70  | 1.000            | 0.003 | 0.003                                            | 0.212                                     |

**WEIGHTED AVERAGE RETIREMENT AGE**

**61.719**

**Union Hourly ERP**

| (1) | (2)              | (3)   | (4)                                              | (5)                                       |
|-----|------------------|-------|--------------------------------------------------|-------------------------------------------|
| Age | Retirement<br>Qx | tPx   | Number of<br>Expected<br>Retirements<br>=(2)x(3) | Weighted<br>Retirement<br>Age<br>=(1)x(4) |
| 55  | 0.020            | 1.000 | 0.020                                            | 1.100                                     |
| 56  | 0.020            | 0.980 | 0.020                                            | 1.098                                     |
| 57  | 0.020            | 0.960 | 0.019                                            | 1.095                                     |
| 58  | 0.030            | 0.941 | 0.028                                            | 1.638                                     |
| 59  | 0.040            | 0.913 | 0.037                                            | 2.155                                     |
| 60  | 0.060            | 0.876 | 0.053                                            | 3.155                                     |
| 61  | 0.070            | 0.824 | 0.058                                            | 3.518                                     |
| 62  | 0.200            | 0.766 | 0.153                                            | 9.501                                     |
| 63  | 0.200            | 0.613 | 0.123                                            | 7.723                                     |
| 64  | 0.200            | 0.490 | 0.098                                            | 6.277                                     |
| 65  | 0.600            | 0.392 | 0.235                                            | 15.299                                    |
| 66  | 0.600            | 0.157 | 0.094                                            | 6.214                                     |
| 67  | 0.600            | 0.063 | 0.038                                            | 2.523                                     |
| 68  | 0.600            | 0.025 | 0.015                                            | 1.024                                     |
| 69  | 0.600            | 0.010 | 0.006                                            | 0.416                                     |
| 70  | 1.000            | 0.004 | 0.004                                            | 0.281                                     |

**WEIGHTED AVERAGE RETIREMENT AGE**

**63.020**

**TOTAL WEIGHTED AVERAGE RETIREMENT AGE**

**62.108**

**Schedule SB, Line 25**  
**Change in Method**

The valuation software used to produce the actuarial information submitted on this schedule has been changed as part of our harmonization of our valuation software systems, and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under Revenue Proc. 2017-56 Section 4.02.

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

Counts

| 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 | 115                             | 215    | 2      | 0        | 0                | 0        | 0        | 0        | 0        | 0       |
| 25 to 29     | Count | 184                             | 443    | 112    | 15       | 0                | 0        | 0        | 0        | 0        | 0       |
| 30 to 34     | Count | 150                             | 439    | 643    | 489      | 12               | 0        | 0        | 0        | 0        | 0       |
| 35 to 39     | Count | 115                             | 356    | 472    | 877      | 403              | 13       | 0        | 0        | 0        | 0       |
| 40 to 44     | Count | 120                             | 330    | 481    | 744      | 873              | 266      | 1        | 0        | 0        | 0       |
| 45 to 49     | Count | 100                             | 309    | 457    | 803      | 970              | 459      | 291      | 23       | 0        | 0       |
| 50 to 54     | Count | 115                             | 359    | 491    | 910      | 1,381            | 601      | 1,025    | 642      | 21       | 0       |
| 55 to 59     | Count | 78                              | 313    | 420    | 828      | 1,655            | 550      | 850      | 1,123    | 1,024    | 26      |
| 60 to 64     | Count | 29                              | 138    | 251    | 571      | 1,042            | 303      | 466      | 498      | 1,106    | 449     |
| 65 to 69     | Count | 2                               | 29     | 64     | 153      | 215              | 74       | 96       | 104      | 162      | 239     |
| 70 & up      | Count | 0                               | 3      | 14     | 37       | 51               | 10       | 27       | 24       | 36       | 101     |
| Average Age: |       | 51.3                            |        |        |          | Average Service: |          | 18.1     |          |          |         |

\* Excludes 6,976 suspended participants (participants not accruing additional service as of January 1, 2017).

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

Average Earnings (Pay-related formulas only)

| 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            | 39                              | 56      | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 37,281                          | 54,384  |         |          |          |          |          |          |          |         |
| 25 to 29     | Count            | 61                              | 151     | 65      | 11       | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 41,501                          | 63,292  | 81,078  |          |          |          |          |          |          |         |
| 30 to 34     | Count            | 78                              | 195     | 550     | 370      | 7        | 0        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 54,750                          | 74,367  | 98,263  | 102,083  |          |          |          |          |          |         |
| 35 to 39     | Count            | 69                              | 177     | 396     | 655      | 309      | 7        | 0        | 0        | 0        | 0       |
|              | Average Earnings | 56,573                          | 80,801  | 108,333 | 109,260  | 114,466  |          |          |          |          |         |
| 40 to 44     | Count            | 89                              | 201     | 401     | 585      | 702      | 150      | 1        | 0        | 0        | 0       |
|              | Average Earnings | 91,470                          | 100,564 | 115,852 | 111,488  | 119,245  | 130,651  |          |          |          |         |
| 45 to 49     | Count            | 81                              | 196     | 396     | 649      | 778      | 296      | 238      | 10       | 0        | 0       |
|              | Average Earnings | 89,451                          | 95,520  | 118,486 | 115,835  | 116,539  | 131,752  | 123,896  |          |          |         |
| 50 to 54     | Count            | 119                             | 246     | 409     | 749      | 1,146    | 377      | 791      | 463      | 15       | 0       |
|              | Average Earnings | 88,335                          | 99,573  | 113,718 | 112,291  | 120,580  | 125,450  | 132,354  | 137,719  |          |         |
| 55 to 59     | Count            | 102                             | 228     | 347     | 631      | 1,386    | 347      | 643      | 789      | 460      | 13      |
|              | Average Earnings | 85,699                          | 91,577  | 112,833 | 105,242  | 117,068  | 121,297  | 118,010  | 135,905  | 117,513  |         |
| 60 to 64     | Count            | 53                              | 100     | 192     | 417      | 862      | 186      | 331      | 290      | 529      | 63      |
|              | Average Earnings | 87,861                          | 92,759  | 93,718  | 102,823  | 106,827  | 111,332  | 105,351  | 119,689  | 128,956  | 96,740  |
| 65 to 69     | Count            | 11                              | 23      | 54      | 115      | 165      | 49       | 55       | 53       | 59       | 53      |
|              | Average Earnings |                                 | 85,422  | 104,704 | 99,783   | 104,686  | 92,689   | 99,966   | 111,908  | 122,511  | 126,538 |
| 70 & up      | Count            | 1                               | 2       | 10      | 31       | 33       | 7        | 17       | 12       | 7        | 18      |
|              | Average Earnings |                                 |         |         | 89,486   | 96,641   |          |          |          |          |         |

\* Excludes 5,931 suspended participants (participants not accruing additional service as of January 1, 2017).

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

Average 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                | 39                              | 39     | 0      | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 551                             | 2,663  |        |          |          |          |          |          |          |         |
| 25 to 29     | Count                | 45                              | 101    | 63     | 11       | 0        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 578                             | 4,130  | 15,743 |          |          |          |          |          |          |         |
| 30 to 34     | Count                | 67                              | 143    | 544    | 365      | 7        | 0        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,410                           | 6,825  | 24,243 | 31,207   |          |          |          |          |          |         |
| 35 to 39     | Count                | 55                              | 140    | 381    | 637      | 309      | 7        | 0        | 0        | 0        | 0       |
|              | Average Cash Balance | 1,481                           | 9,995  | 34,992 | 41,696   | 36,631   |          |          |          |          |         |
| 40 to 44     | Count                | 71                              | 181    | 384    | 573      | 693      | 149      | 1        | 0        | 0        | 0       |
|              | Average Cash Balance | 3,211                           | 15,660 | 46,605 | 53,575   | 40,027   | 35,617   |          |          |          |         |
| 45 to 49     | Count                | 48                              | 182    | 389    | 642      | 769      | 294      | 238      | 10       | 0        | 0       |
|              | Average Cash Balance | 3,814                           | 15,780 | 57,002 | 67,350   | 37,816   | 32,849   | 21,452   |          |          |         |
| 50 to 54     | Count                | 59                              | 232    | 399    | 733      | 1,135    | 369      | 784      | 458      | 15       | 0       |
|              | Average Cash Balance | 4,333                           | 18,258 | 63,068 | 73,568   | 33,702   | 34,254   | 27,792   | 25,794   |          |         |
| 55 to 59     | Count                | 47                              | 219    | 341    | 622      | 1,377    | 337      | 636      | 771      | 446      | 12      |
|              | Average Cash Balance | 5,205                           | 15,825 | 68,701 | 73,111   | 30,470   | 32,411   | 25,331   | 26,085   | 23,110   |         |
| 60 to 64     | Count                | 22                              | 98     | 190    | 413      | 853      | 181      | 323      | 281      | 520      | 58      |
|              | Average Cash Balance | 5,035                           | 16,113 | 60,659 | 75,166   | 28,893   | 24,608   | 20,983   | 25,947   | 23,078   | 16,020  |
| 65 to 69     | Count                | 1                               | 23     | 54     | 114      | 163      | 48       | 55       | 50       | 56       | 50      |
|              | Average Cash Balance |                                 | 15,517 | 69,852 | 76,840   | 33,017   | 17,231   | 22,913   | 25,808   | 21,256   | 23,616  |
| 70 & up      | Count                | 0                               | 2      | 10     | 30       | 33       | 6        | 17       | 12       | 7        | 17      |
|              | Average Cash Balance |                                 |        |        | 42,236   | 15,452   |          |          |          |          |         |

\* Excludes 1,549 suspended participants (participants not accruing additional service as of January 1, 2017).

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

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Plan Sponsor</b>      | United Technologies Corporation |
| <b>EIN/PN</b>            | 06-0570975 / 001                |
| <b>Plan Name</b>         | UTC Employee Retirement Plan    |
| <b>Valuation Date</b>    | January 1, 2017                 |
| <b>Enrolled Actuary</b>  | Jay Mitchell, F.S.A.            |
| <b>Enrollment Number</b> | 17-05718                        |

Effective January 1, 2017, the United Technologies Corporation Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010) was merged with the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001), with the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001) continuing as the surviving plan. Attachments have been included to explain the derivation of certain prior year results reported on the 2017 plan year Schedule SB, as appropriate.

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.

# Statement of actuarial assumptions and methods

| Economic Assumptions                    |                        |
|-----------------------------------------|------------------------|
|                                         | ERP                    |
| Interest rate basis:                    |                        |
| ▶ Applicable month                      | September 2016         |
| ▶ Yield curve basis                     | Segment rates          |
| Interest rates:                         |                        |
|                                         | Reflecting<br>Corridor |
| First segment rate                      | 4.16%                  |
| Second segment rate                     | 5.72%                  |
| Third segment rate                      | 6.48%                  |
| Effective interest rate                 | 5.84%                  |
| 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%                  |

## 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 and Disabled                            |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ► Funding                                                 | Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2024 using Scale AA).                                                                                                                                            |
| Termination                                               | Rates varying by age and service<br>See Exhibit A                                                                                                                                                                                                                                                                                                                                                                             |
| Disability                                                | Rates varying by age<br>See Exhibits B and D                                                                                                                                                                                                                                                                                                                                                                                  |
| Retirement                                                | Rates varying by age<br>See Exhibit C                                                                                                                                                                                                                                                                                                                                                                                         |
| Unpredictable Contingent Event Benefit (UCEB) assumptions | For Union ERP participants, 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 Willis Towers Watson’s assignment and would have required substantial additional work.                                                          |
| Benefit commencement dates                                | Preretirement death benefit: The later of death of the active participant or the date the participant would have attained age 55.<br><br>Deferred vested benefit: Participants eligible for an unreduced benefit at age 62 are assumed to commence at age 62. All other participants are assumed to commence at age 65.<br><br>Disability benefit: Upon disablement<br><br>Retirement benefit: Upon termination of employment |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form of payment<br>(Active retirements) | <p>For Salaried and Non-Union Hourly ERP cash balance participants: 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 all other Salaried and Non-Union Hourly ERP groups: 30% lump sum and 70% annuity; For annuity elections: 50% elect life annuity, 25% elect 50% CA, and 25% elect 100% CA;</p> <p>For Union ERP cash balance participants: immediate lump sum;</p> <p>For all other Union ERP groups: 50% elect life annuity, 25% elect 50% CA, and 25% elect 100% CA;</p> |
| Percent married                         | <p>100% for all Salaried and Non-Union Hourly ERP;</p> <p>100% at age 55 for Union ERP sub-plans with the 100% CA annuity that allows non-spouse beneficiaries;</p> <p>81% for all others in Union ERP (with the exception of Goodrich);</p> <p>100% for Union ERP Rep Goodrich participants with the salaried formula and 60% for all other Union ERP Goodrich participants.</p>                                                                                                                                                                                          |
| Spouse age                              | Females three years younger than males.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Covered pay                             | For current year hires, the maximum of pay rate and the prior year's pensionable earnings, annualized and increased by 4.50%. For participants on leave of absence, pay rate. For all other participants, prior year's pensionable earnings increased by 4.50%.                                                                                                                                                                                                                                                                                                            |
| Administrative expenses                 | For ERP: 0.35% of the fair value of assets;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Loads                                   | For ERP vested terminations, the PPA 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 as required by regulations under IRC §430                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 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 as required by regulations under IRC §430                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Actuarial value of assets | <p>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 2016 plan year.)</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p> |
| Benefits not valued       | <p>All benefits described in the Plan Provisions attachment were valued. Willis 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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**Exhibit A**

Termination Assumptions

Annual Rates per 1,000 Participants

Plan: ERP (Salaried and Non-Union Hourly)

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             |

**Exhibit A (continued)**

**Termination Assumptions**

**Annual Rates per 1,000 Participants**

**Plan: ERP (Union)**

**Years of Service**

| <b>Age</b> | <b><u>0-5</u></b> | <b><u>5 and up</u></b> |
|------------|-------------------|------------------------|
| 25         | 120.4             | 80.5                   |
| 30         | 107.6             | 80.5                   |
| 35         | 98.2              | 70.5                   |
| 40         | 82.3              | 57.5                   |
| 45         | 78.7              | 46.3                   |
| 50         | 66.2              | 37.0                   |
| 55         | 66.2              | 32.3                   |
| 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                    |

**Exhibit B**

Disability Assumptions

Annual Rates per 1,000 Participants

Plan: Salaried and Non-Union Hourly ERP  
(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  | 0.0  | 0.0    |

**Exhibit B (continued)**

**Disability Assumptions**

**Annual Rates per 1,000 Participants**

**Plan: Union Hourly ERP (excluding Goodrich participants)**

| Age | Male | Female |
|-----|------|--------|
| 25  | 0.3  | 0.5    |
| 30  | 0.4  | 0.6    |
| 35  | 0.5  | 0.8    |
| 40  | 0.7  | 1.0    |
| 45  | 1.0  | 1.5    |
| 50  | 1.8  | 2.6    |
| 55  | 3.6  | 4.9    |
| 60  | 9.0  | 12.1   |
| 65  | 0.0  | 0.0    |

**Exhibit C**

**Retirement Assumptions**

| Age | Salaried and Non-Union<br>Hourly ERP | Union Hourly ERP* |
|-----|--------------------------------------|-------------------|
| 55  | 0.05                                 | 0.02              |
| 56  | 0.05                                 | 0.02              |
| 57  | 0.075                                | 0.02              |
| 58  | 0.075                                | 0.03              |
| 59  | 0.075                                | 0.04              |
| 60  | 0.10                                 | 0.06              |
| 61  | 0.10                                 | 0.07              |
| 62  | 0.20                                 | 0.20              |
| 63  | 0.20                                 | 0.20              |
| 64  | 0.20                                 | 0.20              |
| 65  | 0.60                                 | 0.60              |
| 66  | 0.60                                 | 0.60              |
| 67  | 0.60                                 | 0.60              |
| 68  | 0.60                                 | 0.60              |
| 69  | 0.60                                 | 0.60              |
| 70  | 1.00                                 | 1.00              |

\* Carrier Indianapolis (BDP East) assumes 75% retirement at age 55 with 30 years of service. Goodrich Aerostructures assumes 75% retirement upon attainment of 30 years of service.

## Exhibit D - Legacy Goodrich Participants

### Disability

For non-Aerostructures, rates varying by age and sex  
Sample rate per 1,000 participants

| Number becoming disabled during the year |               |               |               |               |
|------------------------------------------|---------------|---------------|---------------|---------------|
| <u>Sex</u>                               | <u>Age 30</u> | <u>Age 40</u> | <u>Age 50</u> | <u>Age 60</u> |
| Male                                     | 1.200         | 1.470         | 3.565         | 13.800        |
| Female                                   | 1.800         | 2.205         | 5.350         | 20.700        |

For Aerostructures, rates varying by age and sex  
Sample rates per 1,000 participants

| Number becoming disabled during the year |               |               |               |               |
|------------------------------------------|---------------|---------------|---------------|---------------|
| <u>Sex</u>                               | <u>Age 30</u> | <u>Age 40</u> | <u>Age 50</u> | <u>Age 60</u> |
| Male                                     | 0.400         | 1.100         | 4.600         | 16.100        |
| Female                                   | 0.600         | 1.800         | 5.600         | 12.700        |

## Assumptions Rationale - Significant Economic Assumptions

|                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Funding discount rate</b>                                                                                      | The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Crediting rate on cash balance accounts</b>                                                                    | <p>The cash balance interest crediting rate under the UTC plans is generally based on the applicable months' 30-year US Treasury yield in the prior year, subject to plan-specific minimum rates -- 3.80% (UTC ERP salaried and Sikorsky Union ERP), 5.00% (UTC ERP Salaried and Non-Union Hourly Rocketdyne), 4.00% (UTC Non-Union Hourly ERP), and 5.00% (Legacy Goodrich cash balance benefit). UTC has reviewed the historic spread between the long-term high quality (AA) corporate bond yields and U.S. 30 year Treasury yields and has set and maintained the spread between the discount rate and interest crediting rate at 100 basis points.</p> <p>After examining historical variability in this rate, and considering the increase in interest crediting expected to be caused by the minimum interest credit, we believe that the selected assumption does not significantly conflict with what would be reasonable based on market conditions at the measurement date.</p> |
| <b>Annuity / Lump Sum conversion rate</b>                                                                         | The assumed annuity conversion rate is equivalent to the discount rate; We believe that the selected assumption does not significantly conflict with what would be reasonable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Rates of increase in compensation, future Social Security Wage bases, and statutory limits on compensation</b> | Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience. We believe that the selected assumption does not significantly conflict with what would be reasonable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Administrative expenses</b>                                                                                    | Administrative expenses are estimated based on historical experience and future expectation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Assumptions Rationale - Significant Demographic Assumptions

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Termination / Retirement / Disability</b>           | The disability assumptions were selected by UTC based on prior reviews of participant experience data. An experience study prepared in 2015 was the basis for the updated termination and retirement assumptions.                                                                                                                                                                    |
| <b>Benefit commencement date for deferred benefits</b> | The assumptions were selected by UTC based on an experience study prepared in 2015.                                                                                                                                                                                                                                                                                                  |
| <b>Form of payment</b>                                 | The form of payment for the traditional UTC plans (non-cash balance) was set by UTC based on reviews of actual participant elections in recent lump sum window programs. For the cash balance plans, based on limited data available, UTC elected to assume a 100% lump sum election at termination (with a 25% deferral assumption for terminations prior to early retirement age). |
| <b>Marital Assumptions</b>                             |                                                                                                                                                                                                                                                                                                                                                                                      |
| ▶ Percent married                                      | The assumed percentage married was set based on UTC's observations regarding its employee population. For plans that permit a non-spouse beneficiary, a 100% married assumption was selected to account for the additional benefits available for a non-spouse beneficiary.                                                                                                          |
| ▶ Spouse age                                           | The assumed age difference for spouses is based on general population statistics on the age difference for married individuals of retirement age.                                                                                                                                                                                                                                    |

## Source of Prescribed Methods

|                        |                                                                                                                                                                                                                                                                                                                                                |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Funding methods</b> | The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430. |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**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 a 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.

Effective January 1, 2017, a lump sum option was added for all salaried employees and hourly cash balance groups upon termination, which applies to benefits without a full lump sum option. For non-cash balance groups, this new lump sum will be available for a 12-month period following termination of employment. Employees terminated during 2016 have until December 1, 2017 to make this election.

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

**1. Eligibility**

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

**2. Accrued Benefit**

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

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

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

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12 [(1+i)^{(1/12)}-1]$  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.

- (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. For participants terminating in 2016 or later years, an immediate optimal lump sum is available for a 12-month period following termination (Dec. 1, 2017 for 2017 terminations). Optimal actuarial equivalent annuity options are also available.

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 (\$265,000 for 2016).
- (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.

**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.

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

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

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

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 (\$270,000 for 2017).
- (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 termination\*.

## **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 termination for disability\*, 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 at any time prior to 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 at any time prior to 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) Lump sum (for those terminating in 2016 or later years)

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

\* For participants terminating prior to 2016, payments cannot begin prior to age 55.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
UTC Aerospace  
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 (\$270,000 for 2017).
  - (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)**  
**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, 2013) from the table below times years of Credited Service:

| <u>Years of Credited Service</u> | <u>Annual Benefit Amount</u> |
|----------------------------------|------------------------------|
| 1 – 10                           | \$ 378.00                    |
| 10 – 20                          | 408.00                       |
| Over 20                          | 432.00                       |

b. Definitions

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

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

**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).

**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 Rep)  
Aerospace Rep  
Non-Howmet/Non-Sundstrand Divisions**

**1. Eligibility**

- a. Eligible Employees: Employees of the Aerospace Group covered by a collective bargaining agreement which provides for participation under this subplan.
- 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

For Pratt & Whitney Manufacturing, Pratt & Whitney Commercial, Pratt & Whitney Talon, Hamilton Sundstrand and Pratt & Whitney Florida (West Palm Beach) participants become eligible on date of employment.

Effective as of the following dates, the plan is closed to new entrants hired after:

Pratt & Whitney: December 31, 2016

Hamilton Sundstrand: June 30, 2016

Government Engine Business (Pratt Florida): January 31, 2016

## 2. Accrued Benefits

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

| MONTHLY BENEFIT LEVEL  |                 |                     |                            |
|------------------------|-----------------|---------------------|----------------------------|
| Final Average Earnings | Pratt & Whitney | Hamilton Sundstrand | Government Engine Business |
| Under \$25,000         | \$ 80.00        | \$ 79.00            | \$ 39.00                   |
| 25,000 - 25,999        | 80.00           | 79.00               | 39.00                      |
| 26,000 - 26,999        | 80.00           | 79.00               | 39.00                      |
| 27,000 - 27,999        | 80.00           | 79.00               | 39.00                      |
| 28,000 - 28,999        | 80.00           | 79.00               | 39.00                      |
| 29,000 - 29,999        | 80.00           | 79.00               | 39.00                      |
| 30,000 - 30,999        | 80.00           | 79.00               | 39.00                      |
| 31,000 - 31,999        | 80.00           | 79.00               | 39.00                      |
| 32,000 - 32,999        | 80.00           | 79.00               | 39.00                      |
| 33,000 - 33,999        | 80.00           | 79.00               | 39.00                      |
| 34,000 - 34,999        | 80.00           | 79.00               | 39.00                      |
| 35,000 - 35,999        | 80.00           | 79.00               | 39.00                      |
| 36,000 - 36,999        | 80.00           | 79.00               | 39.00                      |
| 37,000 - 37,999        | 80.00           | 79.00               | 39.00                      |
| 38,000 - 38,999        | 80.00           | 79.00               | 39.00                      |
| 39,000 - 39,999        | 80.00           | 79.00               | 39.00                      |
| 40,000 - 40,999        | 80.00           | 79.00               | 40.00                      |
| 41,000 - 41,999        | 80.00           | 79.00               | 41.00                      |
| 42,000 - 42,999        | 80.00           | 79.00               | 42.00                      |
| 43,000 - 43,999        | 80.00           | 79.00               | 43.00                      |
| 44,000 - 44,999        | 80.00           | 79.00               | 44.00                      |
| 45,000 - 45,999        | 80.00           | 79.00               | 45.00                      |
| 46,000 - 46,999        | 80.00           | 79.00               | 46.00                      |
| 47,000 - 47,999        | 80.00           | 79.00               | 47.00                      |
| 48,000 - 48,999        | 80.00           | 79.00               | 48.00                      |
| 49,000 - 49,999        | 80.00           | 79.00               | 49.00                      |
| 50,000 - 50,999        | 80.00           | 79.00               | 50.00                      |
| 51,000 - 51,999        | 80.00           | 79.00               | 51.00                      |
| 52,000 - 52,999        | 80.00           | 79.00               | 52.00                      |
| 53,000 - 53,999        | 80.00           | 79.00               | 53.00                      |
| 54,000 - 54,999        | 80.00           | 79.00               | 54.00                      |
| 55,000 - 55,999        | 80.00           | 79.00               | 55.00                      |
| 56,000 - 56,999        | 80.00           | 79.00               | 56.00                      |
| 57,000 - 57,999        | 80.00           | 79.00               | 57.00                      |
| 58,000 - 58,999        | 80.00           | 79.00               | 58.00                      |
| 59,000 - 59,999        | 80.00           | 79.00               | 59.00                      |
| 60,000 - 60,999        | 80.00           | 79.00               | 60.00                      |
| 61,000 - 61,999        | 80.00           | 79.00               | 61.00                      |
| 62,000 - 62,999        | 80.00           | 79.00               | 62.00                      |
| 63,000 - 63,999        | 80.00           | 79.00               | 63.00                      |
| 64,000 - 64,999        | 80.00           | 79.00               | 64.00                      |
| 65,000 - 65,999        | 80.00           | 79.00               | 65.00                      |
| 66,000 - 66,999        | 80.00           | 79.00               | 66.00                      |
| 67,000 - 67,999        | 80.00           | 79.00               | 67.00                      |
| 68,000 - 68,999        | 80.00           | 79.00               | 68.00                      |
| 69,000 - 69,999        | 80.00           | 79.00               | 69.00                      |
| 70,000 - 70,999        | 80.00           | 79.00               | 70.00                      |
| 71,000 - 71,999        | 80.00           | 79.00               | 71.00                      |
| 72,000 and over        | 80.00           | 79.00               | 71.00                      |

Monthly benefit levels in above table effective:

- 1/1/2017 for Pratt & Whitney\*
- 6/1/2016 for Hamilton Sundstrand\*\*
- 1/1/2016 for Pratt & Whitney Florida (West Palm Beach)

\* Note that the benefit multiplier will increase to a flat \$85 effective January 1, 2020. The change was adopted and effective after the valuation date of January 1, 2017 and therefore, not reflected in the January 1, 2017 ERISA PPA funding valuation. The increase to \$85 will first be reflected for ERISA PPA purposes in the 2020 actuarial valuation.

\*\* Note that the benefit multiplier will increase to a flat \$84 effective January 1, 2020. The change was adopted and effective after the valuation date of January 1, 2017 and therefore, not reflected in the January 1, 2017 ERISA PPA funding valuation. The increase to \$84 will first be reflected for ERISA PPA purposes in the 2020 actuarial valuation.

b. Definitions

- (i) Annual Earnings: Total compensation including pre-tax contributions to the savings plan and pre-tax contributions to a cafeteria plan, but excluding awards and reimbursements. Base pay rate in the last partial year is annualized. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$270,000 for 2017).
- (ii) Final Average Earnings: The average Annual Earnings for the highest five calendar years in the last ten calendar years before termination. The highest five years must be consecutive for Pratt & Whitney Florida (West Palm Beach).
- (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.

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 the Normal Retirement Date.
- c. Rule of 65 Benefit: (For Pratt & Whitney and Hamilton Sundstrand only) 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 5 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:
  - the date Social Security disability benefits cease
  - the date retirement benefits commence
  - death

## 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) 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
- (vii) Available only to employees of Pratt & Whitney, Hamilton Sundstrand and Pratt & Whitney Florida (West Palm Beach)
  - (a) 5 or 15 year certain and continuous annuity
  - (b) 50%, 66-2/3%, 75% or 100% contingent annuitant pop-up option
  - (c) Social Security level income annuity

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 Rep)  
Aerospace Rep  
Hamilton Sundstrand - Rockford**

**1. Eligibility**

- a. Eligible Employees: Employees of Sundstrand at the Rockford Factory covered by a collective bargaining agreement which provides for participation under this subplan.
- b. Participation Requirements: Eligible Employees become participants on the date of employment.

**2. Accrued Benefit**

- a. Formula: Annual benefit level from the table below times years of Credited Service:

|                                  | Years of Service < 30 | Years of Service > 30 |
|----------------------------------|-----------------------|-----------------------|
| Retirement Date                  | Annual Benefit Amt.   | Annual Benefit Amt.   |
| June 1, 1999 – May 31, 2000      | \$ 318.00             | \$ 423.96             |
| June 1, 2000 – May 31, 2001      | 324.00                | 432.00                |
| June 1, 2001 – May 31, 2002      | 330.00                | 440.04                |
| June 1, 2002 – June 30, 2003     | 336.00                | 447.96                |
| July 1, 2003 – December 31, 2007 | 408.00                | 542.64                |
| January 1, 2008 – May 30, 2008   | 456.00                | 606.48                |
| May 31, 2008 – May 30, 2011      | 528.00                | 702.24                |
| May 31, 2011 – May 30, 2015      | 612.00                | 813.96                |
| May 31, 2015 and after           | 684.00                | 909.72                |

- b. Definitions

- (i) Continuous Service (service): The sum of years of service as of December 31, 1993 determined in accordance with the prior Sundstrand plan and years of service on or after January 1, 1994 based on the hours of service in each calendar year as follows: for every full 170 hours of service, 1/10 of a year of service will be earned, to a maximum of one year at 1,000 hours of service.
- (ii) Credited Service: The sum of years of credited service as of December 31, 1993 determined in accordance with the prior Sundstrand plan and years of Credited Service on or after January 1, 1994 based on the hours of service in each calendar year as follows: for every full 170 hours of service, 1/10 of a year of service will be earned, to a maximum of one year at 1,700 hours of service.

**3. Normal Retirement**

- a. Date: First of the month following the later of the date on which a participant attains age 65, or 5 years 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 earliest of:
- (i) age 60 and the completion of 10 years of service, but before the Normal Retirement Date.
  - (ii) the completion of 30 years of service before age 55
  - (iii) age 55 with the participant's age plus service equaling at least 85, but before the attainment of age 60.
- b. Benefit: The accrued benefit at retirement payable monthly reduced (as below) per year for each year benefit commencement precedes age 62:

| Age | ERF   | Age | ERF   | Age | ERF   |
|-----|-------|-----|-------|-----|-------|
| 47  | 0.304 | 52  | 0.450 | 57  | 0.694 |
| 48  | 0.328 | 53  | 0.489 | 58  | 0.752 |
| 49  | 0.354 | 54  | 0.532 | 59  | 0.808 |
| 50  | 0.383 | 55  | 0.579 | 60  | 0.867 |
| 51  | 0.415 | 56  | 0.635 | 61  | 0.933 |
|     |       |     |       | 62  | 1.000 |

- c. Restoration Benefit: If a participant retires before age 65 with 30 years of service, or after age 55 but before age 65 with 85 points (age + service), then the ERF gets removed (ERF=1) when the participant turns age 65.
- d. Interim Supplemental Allowance: Available to anyone retiring within two years of the last day worked and prior to age 65. This benefit is payable until the earlier of age 65 or death.
- (i) For participants with 30 years of service:

| Retirement Date                  | Supplement Benefit Amount                        |
|----------------------------------|--------------------------------------------------|
| June 1, 1999 – May 31, 2000      | \$ 21,600-[318*(CS<30)*ERF]-[423.96*(CS>30)*ERF] |
| June 1, 2000 – May 31, 2001      | 24,000-[324*(CS<30)*ERF]-[432*(CS>30)*ERF]       |
| June 1, 2001 – May 31, 2002      | 24,600-[330*(CS<30)*ERF]-[440.04*(CS>30)*ERF]    |
| June 1, 2002 – June 30, 2003     | 25,200-[336*(CS<30)*ERF]-[447.96*(CS>30)*ERF]    |
| July 1, 2003 – December 31, 2007 | 25,200-[408*(CS<30)*ERF]-[542.64*(CS>30)*ERF]    |
| January 1, 2008 – May 30, 2008   | 31,200-[456*(CS<30)*ERF]-[606.48*(CS>30)*ERF]    |
| May 31, 2008 – May 30, 2011      | 37,200-[528*(CS<30)*ERF]-[702.24*(CS>30)*ERF]    |
| May 31, 2011 – May 30, 2015      | 42,000-[612*(CS<30)*ERF]-[813.96*(CS>30)*ERF]    |
| May 31, 2015 and after           | 45,600-[684*(CS<30)*ERF]-[909.72*(CS>30)*ERF]    |

(ii) For participants with less than 30 years and before age 65:

The amount below x Credited Service.

For retirements June 1, 1999 – December 31, 2007, the following amounts are payable until age 62:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 126.00      | 58         | \$ 162.00      |
| 56         | 138.00         | 59         | 174.00         |
| 57         | 150.00         | 60         | 186.00         |
|            |                | 61         | 198.00         |

For retirements January 1, 2008 – May 30, 2008, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 156.00      | 58         | \$ 192.00      |
| 56         | 168.00         | 59         | 204.00         |
| 57         | 180.00         | 60         | 216.00         |
|            |                | 61-64      | 228.00         |

For retirements May 31, 2008 – May 30, 2011, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 168.00      | 58         | \$ 204.00      |
| 56         | 180.00         | 59         | 216.00         |
| 57         | 192.00         | 60         | 228.00         |
|            |                | 61-64      | 240.00         |

For retirements May 31, 2011 – May 30, 2015, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 180.00      | 58         | \$ 216.00      |
| 56         | 192.00         | 59         | 228.00         |
| 57         | 204.00         | 60         | 240.00         |
|            |                | 61-64      | 252.00         |

For retirements May 31, 2015 and after, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 192.00      | 58         | \$ 228.00      |
| 56         | 204.00         | 59         | 240.00         |
| 57         | 216.00         | 60         | 252.00         |
|            |                | 61-64      | 264.00         |

## 5. Postponed Retirement

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

## 6. Social Security Bridge Lump Sum

- Eligibility: Retirement on or after July 26, 1999.
- Benefit: Lump sum payment equal to \$30 for each year of Credited Service, up to a maximum of 30 years. This benefit is payable at the later of age 62 or date of retirement.

## 7. Special Age 65 Benefit

- a. Eligibility: The month following the month a retired participant or surviving spouse attains age 65. The month a disabled participant becomes enrolled in Medicare Part B.
- b. Benefit: The amount of the Special Age 65 Benefit is shown in the table below, and is based on the date the participant or surviving spouse attains age 65:

| <u>Date Attain age 65</u>         | <u>Annual Amount</u> |
|-----------------------------------|----------------------|
| January 1, 1989 to March 31, 1989 | \$ 116.40            |
| April 1, 1989 to March 31, 1990   | 168.00               |
| April 1, 1990 to March 31, 1991   | 192.00               |
| April 1, 1991 to June 30, 1995    | 216.00               |
| July 1, 1995 and later            | 276.00               |

## 8. 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.

## 9. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service but prior to age 65.
- b. Benefit: The accrued benefit at disability, plus \$216 x Credited Service (max 30), both payable monthly commencing six months after disablement and continuing during the participant's lifetime until the earlier of:
  - (i) unreduced Social Security retirement
  - (ii) the Normal Retirement Date

## 10. 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, the greater of a 60% spouse's benefit or a 50% spouse's benefit, as compared after applying the applicable joint and survivor annuity factors in the prior Sundstrand plan, and payment commences immediately, reduced as described in 4.b. above, or age 65.  
If the participant was eligible for the Restoration Benefit in 4.c. above, and had attained age 62 at death, then the spouse benefit commences immediately and is unreduced.
  - (ii) If the participant dies after completing five years of service and is married, but does not meet the requirements of (i) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 60, reduced as described in 8.b. above, or age 65.

**11. Form of Payment**

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 60% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 75% contingent annuity (with or without pop-up)
  - (ii) 50% contingent annuity (with or without pop-up)
  - (iii) Life annuity for married participants
  - (iv) Lump sum for monthly amounts of \$100 or less

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 Rep)  
Carrier B**

**1. Eligibility**

- a. Eligible Employees: Employees of the Carrier Group at Syracuse, New York, covered by a collective bargaining agreement which provides for participation under this subplan. Employees hired after October 1, 2012 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on the first day of the month following age 21 and one year of eligibility service.

**2. Accrued Benefit**

- a. Formula:  $\$612 \times \text{years of Credited Service (max 35 years)}$
- b. Definitions
  - (i) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
  - (ii) Credited Service: Credited Service prior to January 1, 2003 is based on Continuous Service if the participant has 10 or more years of service, not in excess of 35 years. If the participant has less than 10 years of service, service coincident with or following the earlier of:
    - (a) Age 21 and one year of service
    - (b) Five years of serviceCredited Service on or after January 1, 2003 is based on hours of service in each calendar year as follows:

| <u>Hours of Service</u> | <u>Fractional Year of<br/>Credited Service Earned</u> |
|-------------------------|-------------------------------------------------------|
| Less than 400           | 0.0                                                   |
| 400 – 799               | 0.5                                                   |
| 800 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 up to a maximum reduction of 50%. The benefit is unreduced if the participant retires on or after the attainment of age 60 and the completion of 20 years of service, or after the attainment of age 55 and the completion of 30 years of 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 or attaining age 60, 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 and the completion of 10 years of service, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date, up to a maximum reduction of 50%.

## 7. Disability Benefit

- a. Eligibility: Disability after completing five years of Credited Service.
- b. Benefit: The accrued benefit at disability payable monthly commencing six months after disablement.

## 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 50% contingent annuitant's 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 five years of service and is married, but does not meet requirements of (i) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 65, or age 55 if the participant had completed at least 10 years of service, but reduced as described in 6.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) 5 year certain and continuous annuity
  - (iii) 100% contingent annuity (with or without pop-up)
  - (iv) 75% contingent annuity (with or without pop-up)
  - (v) 50% contingent annuity (with or without pop-up)
  - (vi) Life annuity for married participants
  - (vii) Lump sum payment based on the 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table. Not available to participants hired after December 31, 1993 and to participants with respect to Credited Service on or after July 1, 1995.

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 Rep)  
Carrier BDP East**

**1. Eligibility**

- a. Eligible Employees: Hourly employees of the Carrier Group at the BDP Company, Indianapolis, Indiana, covered by the collective bargaining agreement with the United Steel Workers of America which provides for participation under this subplan. Employees hired after April 28, 2014 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on the first of the month coincident with or following their date of employment.

**2. Accrued Benefit**

- a. Formula: The greater of (i) or (ii):
  - (i) \$636 x years of Credited Service (max 40 years)
  - (ii) August 31, 1987 accrued benefit
- 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 not in excess of 40 years.

**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% per year for each of the first five years benefit commencement precedes age 65 plus, if the participant retires before the attainment of age 60, 6% per year for each of the next five years benefit commencement precedes age 60. The benefit is unreduced if the participant retires after the attainment of age 55 and the completion of 30 years of service. The benefit is also unreduced if the participant retires on or after the attainment of age 60 and the completion of 15 years of Credited Service upon a permanent shutdown or a layoff with little likelihood of recall.

**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 and the completion of 10 years of service, 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 greater of the accrued benefit at disability or \$1,800 a year payable monthly commencing six months after disablement.

## **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. Form of Payment**

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) A reduced 50% joint and survivor annuity with pop-up for married participants where reduction is based on the without pop-up factor
- b. Optional Forms:
  - (i) 100% contingent annuity (with or without pop-up)
  - (ii) 75% contingent annuity (with or without pop-up)
  - (iii) 50% contingent annuity (with or without pop-up)
  - (iv) 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 Rep)  
Carrier Collierville**

**1. Eligibility**

- a. Eligible Employees: Employees of the Carrier Group at Collierville, Tennessee, covered by a collective bargaining agreement which provides for participation under this subplan. Employees hired after November 14, 2015 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on the date of employment.

**2. Accrued Benefit**

- a. Formula:  
\$564 x years of 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.

**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 (reduction not to exceed 50%).

**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 and the completion of 10 years of service, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date (reduction not to exceed 50%).

**7. Disability Benefit**

- a. Eligibility: Disability after completing 5 years of Credited Service.
- b. Benefit: The accrued benefit at disability payable monthly commencing six months after disablement.

**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 if the participant had completed 10 years of service, 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) 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) 50% contingent annuity
  - (v) 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 Rep)  
Carrier ICP Hourly**

**1. Eligibility**

- a. Eligible Employees: Employees of the Carrier Group of International Comfort Products covered by a collective bargaining agreement which provides for participation under this subplan. Employees hired after October 1, 2013 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on their date of employment.

**2. Accrued Benefit**

- a. Formula:  $\$480 \times \text{years of Credited Service}$ .
- 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

**3. Normal Retirement**

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

**4. Early Retirement**

- a. Date: First of the month coincident with or next following retirement after the attainment of age 55 and the completion of five 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 (reduction not to exceed 50%).

**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 (reduction not to exceed 50%).

## **7. Disability Benefit**

- a. Eligibility: Disability after the attainment of age 55 and completing 15 years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit at disability payable monthly commencing six months after disablement and continuing during the participant's lifetime until the cessation of disability, provided cessation occurs before age 70.

## **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 Post-retirement Death Benefit**

- a. Eligibility: Death while eligible for an early, normal or postponed retirement benefit, or after the attainment of age 65 and becoming eligible for a disability retirement benefit.
- b. Benefit: A \$3,000 lump sum payment, reduced by the value of any company-provided group term life insurance benefit, payable immediately to the beneficiary, spouse, children, parent or estate (in that order).

## **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) 10 year certain and continuous annuity
  - (ii) 75% contingent annuity
  - (iii) 66⅔% contingent annuity
  - (iv) 50% contingent annuity
  - (v) 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 Rep)  
Control Hourly - Carrier Huntington**

**1. Eligibility**

- a. Eligible Employees: Hourly employees of Control Systems covered by a collective bargaining agreement which provides for participation under this subplan.
- b. Participation Requirements: Eligible Employees become participants after one year of employment if they have completed 1,000 hours of service; or if later, on the January 1 coincident with or following a calendar year in which they completed 1,000 hours of service.

**2. Accrued Benefit**

- a. Formula:  $\$396 \times \text{years of Credited Service}$
- 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 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<br/>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 and the completion of 10 years of service, with the benefit reduced 6% 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 service and one year of Credited Service, and qualified to receive Social Security disability benefits.
- b. Benefit: \$420 a year payable monthly commencing six months after disablement, 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 if the participant had completed at least 10 years of service, 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: The lesser of \$2,000 or, 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) 10 year certain and continuous annuity
  - (ii) 100% contingent annuity
  - (iii) 75% contingent annuity
  - (iv) 50% contingent annuity
  - (v) 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 Rep)**  
**Goodrich Wage**  
**Troy**

**1. Eligibility**

- a. Eligible Employees: All wage employees with benefit schedule 14.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$660 (\$720 effective March 1, 2017\* and \$756 effective March 1, 2020\*\*) x years of Credited Service
- b. Definitions
  - (i) Continuous Service (service): Elapsed time since date of employment by Goodrich Corporation.
  - (ii) Credited Service: Years and months of service as an eligible employee since hire date.

**3. Normal Retirement**

- a. Date: First of the month coinciding with or next following the attainment of age 65 with five 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 10 years of service or after the completion of 30 years of service (age not considered), but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced 4.8% for each year of payment before age 62, or unreduced if 30 years of service have been completed.

**5. Supplemental Benefit**

- a. Eligibility: Early retirement with 30 years of Credited Service before and up to age 62.
- b. Benefit: \$12,000 plus \$120 per year age greater than 55 plus \$66 per year Credited Service greater than 30.

\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2018 ERISA PPA funding valuation.

\*\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2020 ERISA PPA funding valuation.

**6. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**7. 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, actuarially reduced for each year of payments before the participant's Normal Retirement Date to age 55.

**8. Disability Benefit**

- a. Eligibility: Total disability after completing 5 years of service.
- b. Benefit: The accrued benefit based on Credited Service as of disability date, payable monthly at disability date.

**9. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed, or vested termination retirement benefits, with a surviving spouse.
- b. Benefit: 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.

**10. Form of Payment**

- a. Normal Form:
  - (i) 5 year certain and continuous annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity with 5 years certain for married participants.
- b. Optional Forms:
  - (i) 10 year certain and continuous annuity
  - (ii) 100% joint and survivor annuity with 5 years certain
  - (iii) 75% joint and survivor annuity with 5 years certain

Actuarial equivalence is based on the 1971 TPF&C Unisex Forecast Mortality Table with 1-year setback for participants and 1-year setback for beneficiaries and an interest rate of 6% per annum, compounded annually.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
Union West Virginia**

**1. Eligibility**

- a. Eligible Employees: All wage employees with benefit schedule 3.
- b. Participation Requirements: Date of becoming an eligible employee. As of January 1, 2006, no new participants are allowed to participate.

**2. Accrued Benefit**

- a. Formula: Credited Service times 1.15% of Final Average Earnings plus Credited Service up to 35 years times 0.45% of Final Average Earnings in excess of Covered Compensation.  
  
Effective January 1, 2015, all final average earning related benefits 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.
- b. Definitions
  - (i) Continuous Service (service): Elapsed time since date of employment by Goodrich Corporation.
  - (ii) Credited Service: Years and months of service as an eligible employee as of the later of the hire date and May 1, 1972.  
  
Service for employees who opted out of the plan through Retirement Choice is limited to service prior to June 30, 2006.
  - (iii) Pensionable Pay: Base pay including 401(k) deferrals plus bonus plus overtime.
  - (iv) 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.
  - (v) 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.

**3. Normal Retirement**

- a. Date: First of month coinciding with or next following the attainment of age 65.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced 4% for each year of payment before age 62.

**5. Supplemental Benefit**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 5 years of service.
- b. Benefit: \$6,540 plus \$120 per year age greater than 55 plus \$264 per year Credited Service greater than 30 less the Early Retirement Benefit.

**6. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**7. 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, actuarially reduced for each year of payments before the participant's Normal Retirement Date to age 55. If terminate after 1/1/2002, the reduction is 4% per year from age 62 to 55.

**8. Disability Benefit**

- a. Eligibility: Date of employment.
- b. Benefit: The accrued benefit based on pensionable pay as of disability date, payable monthly at Normal Retirement Date. Service continues to accrue while disabled.

**9. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed, or vested termination retirement benefits, with a surviving spouse. In-service death is company paid, death after termination is paid by employee through actuarial reduction of benefit.
- b. Benefit: 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.

**10. Form of Payment**

- a. Normal Form:
  - (i) 5 year certain and continuous annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) Life annuity
  - (ii) 100% joint and survivor annuity
  - (iii) 75% joint and survivor annuity
  - (iv) 50% joint and survivor annuity
  - (v) 15 year certain and continuous annuity
  - (vi) 10 year certain and continuous annuity
  - (vii) 5 year certain and continuous annuity
  - (viii) Social Security level income annuity
  - (ix) Lump sum for participants whose benefit has a lump sum value of \$15,000 or less
  - (x) Lump sum (for terminations in 2016 or later years). Available for 1 year following termination. Actuarially equivalent annuity options are also available if participant is not otherwise eligible.

Actuarial equivalence for optional forms other than lump sum is based on 1994 GAM (75% male/25% female for participant mortality and 25% male/75% female for joint annuitant mortality), and an interest rate of 6%.

Actuarial equivalence for lump sum is based on 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
Tulahoma**

**1. Eligibility**

- a. Eligible Employees: All wage employees with benefit schedules 20 or 21.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$672 (\$732 effective February 1, 2017\*) x years of Credited Service (max 40 years)
- b. Definitions
  - (i) Continuous Service (service): Elapsed time since date of employment by Goodrich Corporation or Cleveland Pneumatic Company.
  - (ii) Credited Service: Years and months of service as an eligible employee as of the hire date or August 1, 1997, if later.

**3. Normal Retirement**

- a. Date: First of month coinciding with or next following the attainment of age 65 with five years of service.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 5 years of service.
- b. Benefit: Accrued benefit at retirement payable monthly, reduced 6% for each year of payment before age 65.

**5. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2018 ERISA PPA funding valuation.

**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, reduced 6.0% for each year of payments before the participant's Normal Retirement Date to age 55.

**7. Disability Benefit**

- a. Eligibility: Total disability after completing 10 years of service.
- b. Benefit: The accrued benefit based on Credited Service as of disability date, payable immediately.

**8. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed, or vested termination retirement benefits, with a surviving spouse.
- b. Benefit: 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and reduced to payment date, payable immediately.

**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) Life annuity for married participants
  - (ii) 100% joint and survivor annuity
  - (iii) 75% joint and survivor annuity
  - (iv) 50% joint and survivor annuity
  - (v) 10 year certain and continuous annuity

Actuarial equivalence for optional forms uses the 1983 Group Mortality Table for males with a one-year setback for participants and a five-year setback for beneficiaries, and an interest rate of 8%.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
Aerostructures (Rohr)**

**1. Eligibility**

- a. Eligible Employees: All employees represented by a labor organization which has signed an agreement making this plan applicable to its members. Applies to benefit schedule 25.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$936 (\$996 effective January 1, 2018\*) x years of Credited Service
- b. Definitions
  - (i) Continuous Service (service): One year each calendar year in which an employee completes 1,000 hours of service.
  - (ii) Credited Service: One-twelfth of a year for each 150 hours of service with a maximum of one year for each calendar year.
  - (iii) Hours of Service: Each hour for which the employee was directly or indirectly paid including vacation, sickness or disability; in addition, each hour for which back pay is awarded or agreed to.

**3. Normal Retirement**

- a. Date: Date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 10 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced for those participants with less than 30 full years of service, by 3/10% for each month of payment before Normal Retirement Date.

**5. 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: Accrued benefit determined at termination, reduced for those participants with 10 years of service but less than 30 years of service by 3/10% for each month of payment before the participant's Normal Retirement Date.

\* This change is effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2018 ERISA PPA funding valuation.

## **6. Disability Benefit**

- a. Eligibility: Disability status after completing 10 years of service before age 65.
- b. Benefit: Accrued benefit determined as of the date of disablement and without reduction before age 65. In addition, a \$250 per month supplement is payable until eligibility for Social Security benefits if not eligible for Social Security disability benefits.

## **7. Pre-retirement Death Benefit**

- a. Eligibility: Death after completing five years of service.
- b. Benefit:
  - (i) If the participant is married, 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and, if the participant had 10 years of vesting service prior to death, reduced for payment as early as the participant's 55<sup>th</sup> birthday.
  - (ii) If the participant is unmarried, accrued benefit as of the date of the participant's death reduced with plan early retirement factors for those participants who met retirement eligibility and actuarially reduced for those not yet retirement eligible. Benefit is converted to a 10 year certain and life annuity. Benefit is payable to a participant's estate for 10 years certain only.

## **8. Form of Payment**

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) 75% joint and survivor annuity
  - (ii) 100% joint and survivor annuity
  - (iii) 10 year certain and continuous annuity
  - (iv) Level income annuity
  - (v) Lump sum payment for amounts less than \$5,000
  - (vi) Life annuity for married participants

Actuarial equivalence for optional forms other than lump sum is based on the 1984 Uniform Pension Mortality Table setback three years for beneficiaries and an interest rate of 6%.

Actuarial equivalence for lump sum is based on the 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
TRW Rome (Utica)**

**1. Eligibility**

- a. Eligible Employees: The Plan covers all hourly-rate employees of the Company covered by the Local 4831 bargaining agreement. Applies to benefit Schedule 28.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$672 (\$720 effective April 30, 2019\*) x years of Credited Service
- b. Definitions
  - (i) Continuous Service (service): Equal to the sum of (a) and (b) below:
    - (a) All years of vesting service earned under the prior plan as of the effective date, and
    - (b) On and after the effective date, one year of vesting service is recognized for each plan year in which the employee receives compensation for at least 1,000 hours.
  - (ii) Credited Service: Equal to the sum of (a) and (b) below:
    - (a) All years of benefit service under the prior plan as of the effective date, and
    - (b) On and after the effective date, one year of benefit service is granted for each plan year in which the employee has 1,700 or more compensated hours. If an Employee completes less than 1,700 hours of Credited Service but more than 142 hours of Credited Service in a plan year, one twelfth of a year of Credited Service is given for every 142 hours of service.

**3. Normal Retirement**

- a. Date: First of month coincident with or next following the attainment of age 65 with five years of service.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 60 and completing 10 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced 5/9 of 1% for each month of payment before age 65.

**5. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2019 ERISA PPA funding valuation.

**6. Special Age 65 Benefit**

- a. Eligibility: Age 65 for all retired employees or surviving spouses. Participants who retired from deferred vested status are not eligible.
- b. Benefit: \$86.40 per year

**7. 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 at age 65. However, the employee may elect to commence benefits after reaching age 60 and before age 65, in which event his monthly benefit would be reduced as for early retirement.

**8. Disability Benefit**

- a. Eligibility: Totally and permanently disabled prior to reaching age 65, after at least ten years of Credited Service.
- b. Benefit: Accrued benefit determined as of disability date, payable on the first day of the month after at least 26 weeks have elapsed since disability began. In addition, a temporary benefit is payable in an amount equal to the benefit level in effect at disability for each year of benefit service at disability date (not to exceed 25 years). This temporary benefit shall not be payable for any month after the employee attains age 65 or becomes eligible for an unreduced Social Security benefit, whichever occurs first.

When a disabled retiree reaches age 65 or the qualifying age for an unreduced Social Security benefit, he shall thereafter receive a normal retirement pension and shall no longer be considered to be on disability retirement.

**9. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed or vested termination retirement benefits having been married at least one year.
- b. Benefit: If an employee dies after attaining age 60 with ten years of Credited Service, his spouse receives the spouse benefit assuming the employee had retired early and elected the 50% joint and survivor option the day before his death. If an employee dies before age 60, the benefit is calculated as if the employee terminated his employment on his date of death, survived to his earliest retirement date and elected the 50% joint and survivor option. Benefit is not paid before employee would have been age 60.

**10. Form of Payment**

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) Life annuity for married participants
  - (ii) 50% joint and survivor annuity

Actuarial equivalence for optional forms uses 1994 GAM (75% male/25% female for participant mortality and 25% male/75% female for joint annuitant mortality), and an interest rate of 6%.

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

| Plan               | Changes                                                                                                                                                                                                                                                | Effective Date |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| All Plans          | IRC Section 401(a)(17) compensation limit was increased from \$265,000 to \$270,000.                                                                                                                                                                   | 01/01/2017     |
|                    | IRC Section 415 benefit limit was increased from \$210,000 to \$215,000.                                                                                                                                                                               | 01/01/2017     |
| Non-Rep            | The cash balance crediting rate for Rocketdyne was changed from 5.25% to 5.00%.                                                                                                                                                                        | 01/01/2017     |
| Rep:               |                                                                                                                                                                                                                                                        |                |
| Aerospace          | HS Connecticut division: maximum monthly benefit level changed from \$71 (for earnings \$71,000 and over) to \$79 at all pay levels. In addition, employees hired after 6/30/2016 are ineligible to participate in the defined benefit pension plan.   | 06/01/2016     |
|                    | P&W Connecticut division: maximum monthly benefit level changed from \$72 (for earnings \$72,000 and over) to \$80 at all pay levels. In addition, employees hired after 12/31/2016 are ineligible to participate in the defined benefit pension plan. | 01/01/2017     |
| Carrier Huntington | Monthly benefit level increased from \$31 to \$33.                                                                                                                                                                                                     | 04/01/2016     |
| Carrier BDP East   | Monthly benefit level increased from \$51 to \$53.                                                                                                                                                                                                     | 09/01/2016     |
| Carrier ICP        | Monthly benefit level increased from \$38 to \$40.                                                                                                                                                                                                     | 10/01/2016     |
| Goodrich Wage      | LAPT (Rome) division: monthly benefit level increased from \$50 to \$56.                                                                                                                                                                               | 04/30/2016     |
|                    | Landing Gear Plating division: monthly benefit level increased from \$38 to \$42.                                                                                                                                                                      | 04/03/2016     |

**Schedule SB, Line 7 and Line 11**  
**Explanation of Discrepancy in Prior Year**  
**Funding Standard Carryover Balance and Prefunding Balance and Prior Year**  
**Excess Contributions**

**Plan Sponsor** United Technologies Corporation

**EIN/PN** 06-0570975 / 001

**Plan Name** UTC Employee Retirement Plan

**Valuation Date** January 1, 2017

**Enrolled Actuary** Jay Mitchell, F.S.A.

**Enrollment Number** 17-05718

The Funding Standard Carryover Balance was \$1,312,932,513 on line 13 of the prior year Schedule SB and is \$2,072,588,432 on line 7 of the current year Schedule SB. The balance has been adjusted due to the January 1, 2017 merger of the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001) and the United Technologies Corporation Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010), as shown below:

| Line Item                                                                                                                                   | UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001)<br>"A" | UTC Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010)<br>"B" | Reported on current year Schedule SB<br>= "A" + "B" |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------|
| 7. Balance at beginning of prior year after applicable adjustments (line 13 from prior year)                                                | \$1,312,932,513                                                 | \$759,655,919                                                               | \$2,072,588,432                                     |
| 11. Prior year's excess contributions to be added to prefunding balance:                                                                    |                                                                 |                                                                             |                                                     |
| 11. a. Present value of excess contributions (line 38a from prior year)                                                                     | \$1,346,108,318                                                 | \$435,805,739                                                               | \$1,781,914,057                                     |
| Prior year effective interest rate (line 5 from prior year)                                                                                 | 6.05%                                                           | 6.05%                                                                       | n/a                                                 |
| 11. b(1). Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate | \$81,439,553                                                    | \$26,366,247                                                                | \$107,805,800                                       |
| 11. b(2). Interest on line 38b from prior year Schedule SB, using prior year's actual return                                                | \$0                                                             | \$0                                                                         | \$0                                                 |

**Schedule SB, Line 16**  
**Explanation of Discrepancy in Prior Year**  
**Funding Percentage**

**Plan Sponsor** United Technologies Corporation

**EIN/PN** 06-0570975 / 001

**Plan Name** UTC Employee Retirement Plan

**Valuation Date** January 1, 2017

**Enrolled Actuary** Jay Mitchell, F.S.A.

**Enrollment Number** 17-05718

The prior year funding percentage was 113.80% on line 15 of the prior year Schedule SB and is 114.22% on line 16 of the current year Schedule SB. The funding percentage has been adjusted due to the January 1, 2017 merger of the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001) and the United Technologies Corporation Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010), as shown below:

| Line Item                                                                                                                                                  | UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001)<br>"A" | UTC Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010)<br>"B" | Reported on current year Schedule SB<br>= "A" + "B" |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------|
| Actuarial value of assets (line 2b from prior year)                                                                                                        | \$18,680,811,831                                                | \$5,798,689,018                                                             | \$24,479,500,849                                    |
| Funding target (line 3d(3) from prior year)                                                                                                                | \$16,414,175,410                                                | \$5,016,269,000                                                             | \$21,430,444,410                                    |
| Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 113.80%                                                         | 115.59%                                                                     | 114.22%                                             |

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

**Salaried & Non-Union Hourly ERP**

| (1) | (2)              | (3)   | (4)                                              | (5)                                       |
|-----|------------------|-------|--------------------------------------------------|-------------------------------------------|
| Age | Retirement<br>Qx | tPx   | Number of<br>Expected<br>Retirements<br>=(2)x(3) | Weighted<br>Retirement<br>Age<br>=(1)x(4) |
| 55  | 0.050            | 1.000 | 0.050                                            | 2.750                                     |
| 56  | 0.050            | 0.950 | 0.048                                            | 2.660                                     |
| 57  | 0.075            | 0.903 | 0.068                                            | 3.858                                     |
| 58  | 0.075            | 0.835 | 0.063                                            | 3.631                                     |
| 59  | 0.075            | 0.772 | 0.058                                            | 3.417                                     |
| 60  | 0.100            | 0.714 | 0.071                                            | 4.286                                     |
| 61  | 0.100            | 0.643 | 0.064                                            | 3.921                                     |
| 62  | 0.200            | 0.579 | 0.116                                            | 7.174                                     |
| 63  | 0.200            | 0.463 | 0.093                                            | 5.832                                     |
| 64  | 0.200            | 0.370 | 0.074                                            | 4.740                                     |
| 65  | 0.600            | 0.296 | 0.178                                            | 11.553                                    |
| 66  | 0.600            | 0.118 | 0.071                                            | 4.692                                     |
| 67  | 0.600            | 0.047 | 0.028                                            | 1.905                                     |
| 68  | 0.600            | 0.019 | 0.011                                            | 0.774                                     |
| 69  | 0.600            | 0.008 | 0.005                                            | 0.314                                     |
| 70  | 1.000            | 0.003 | 0.003                                            | 0.212                                     |

**WEIGHTED AVERAGE RETIREMENT AGE**

**61.719**

**Union Hourly ERP**

| (1) | (2)              | (3)   | (4)                                              | (5)                                       |
|-----|------------------|-------|--------------------------------------------------|-------------------------------------------|
| Age | Retirement<br>Qx | tPx   | Number of<br>Expected<br>Retirements<br>=(2)x(3) | Weighted<br>Retirement<br>Age<br>=(1)x(4) |
| 55  | 0.020            | 1.000 | 0.020                                            | 1.100                                     |
| 56  | 0.020            | 0.980 | 0.020                                            | 1.098                                     |
| 57  | 0.020            | 0.960 | 0.019                                            | 1.095                                     |
| 58  | 0.030            | 0.941 | 0.028                                            | 1.638                                     |
| 59  | 0.040            | 0.913 | 0.037                                            | 2.155                                     |
| 60  | 0.060            | 0.876 | 0.053                                            | 3.155                                     |
| 61  | 0.070            | 0.824 | 0.058                                            | 3.518                                     |
| 62  | 0.200            | 0.766 | 0.153                                            | 9.501                                     |
| 63  | 0.200            | 0.613 | 0.123                                            | 7.723                                     |
| 64  | 0.200            | 0.490 | 0.098                                            | 6.277                                     |
| 65  | 0.600            | 0.392 | 0.235                                            | 15.299                                    |
| 66  | 0.600            | 0.157 | 0.094                                            | 6.214                                     |
| 67  | 0.600            | 0.063 | 0.038                                            | 2.523                                     |
| 68  | 0.600            | 0.025 | 0.015                                            | 1.024                                     |
| 69  | 0.600            | 0.010 | 0.006                                            | 0.416                                     |
| 70  | 1.000            | 0.004 | 0.004                                            | 0.281                                     |

**WEIGHTED AVERAGE RETIREMENT AGE**

**63.020**

**TOTAL WEIGHTED AVERAGE RETIREMENT AGE**

**62.108**

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

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Plan Sponsor</b>      | United Technologies Corporation |
| <b>EIN/PN</b>            | 06-0570975 / 001                |
| <b>Plan Name</b>         | UTC Employee Retirement Plan    |
| <b>Valuation Date</b>    | January 1, 2017                 |
| <b>Enrolled Actuary</b>  | Jay Mitchell, F.S.A.            |
| <b>Enrollment Number</b> | 17-05718                        |

Effective January 1, 2017, the United Technologies Corporation Represented Employee Retirement Plan (EIN: 06-0570975 / PN: 010) was merged with the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001), with the UTC Employee Retirement Plan (EIN: 06-0570975 / PN: 001) continuing as the surviving plan. Attachments have been included to explain the derivation of certain prior year results reported on the 2017 plan year Schedule SB, as appropriate.

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 (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 a 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.

Effective January 1, 2017, a lump sum option was added for all salaried employees and hourly cash balance groups upon termination, which applies to benefits without a full lump sum option. For non-cash balance groups, this new lump sum will be available for a 12-month period following termination of employment. Employees terminated during 2016 have until December 1, 2017 to make this election.

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

**1. Eligibility**

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

**2. Accrued Benefit**

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

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

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

- (ii) Interest Credits: An interest credit is added to the account at the end of each month. It is equal to the product of the account balance as of the end of the prior month and  $1/12 [(1+i)^{(1/12)}-1]$  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.

- (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. For participants terminating in 2016 or later years, an immediate optimal lump sum is available for a 12-month period following termination (Dec. 1, 2017 for 2017 terminations). Optimal actuarial equivalent annuity options are also available.

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 (\$265,000 for 2016).
- (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.

**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.

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

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

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

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 (\$270,000 for 2017).
- (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 termination\*.

## **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 termination for disability\*, 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 at any time prior to 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 at any time prior to 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) Lump sum (for those terminating in 2016 or later years)

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

\* For participants terminating prior to 2016, payments cannot begin prior to age 55.

**United Technologies Corporation  
Employee Retirement Plan (UTC Non-Rep)  
UTC Aerospace  
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 (\$270,000 for 2017).
  - (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)**  
**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, 2013) from the table below times years of Credited Service:

| <u>Years of Credited Service</u> | <u>Annual Benefit Amount</u> |
|----------------------------------|------------------------------|
| 1 – 10                           | \$ 378.00                    |
| 10 – 20                          | 408.00                       |
| Over 20                          | 432.00                       |

b. Definitions

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

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

**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).

**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 Rep)  
Aerospace Rep  
Non-Howmet/Non-Sundstrand Divisions**

**1. Eligibility**

- a. Eligible Employees: Employees of the Aerospace Group covered by a collective bargaining agreement which provides for participation under this subplan.
- 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

For Pratt & Whitney Manufacturing, Pratt & Whitney Commercial, Pratt & Whitney Talon, Hamilton Sundstrand and Pratt & Whitney Florida (West Palm Beach) participants become eligible on date of employment.

Effective as of the following dates, the plan is closed to new entrants hired after:

Pratt & Whitney: December 31, 2016

Hamilton Sundstrand: June 30, 2016

Government Engine Business (Pratt Florida): January 31, 2016

## 2. Accrued Benefits

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

| MONTHLY BENEFIT LEVEL  |                 |                     |                            |
|------------------------|-----------------|---------------------|----------------------------|
| Final Average Earnings | Pratt & Whitney | Hamilton Sundstrand | Government Engine Business |
| Under \$25,000         | \$ 80.00        | \$ 79.00            | \$ 39.00                   |
| 25,000 - 25,999        | 80.00           | 79.00               | 39.00                      |
| 26,000 - 26,999        | 80.00           | 79.00               | 39.00                      |
| 27,000 - 27,999        | 80.00           | 79.00               | 39.00                      |
| 28,000 - 28,999        | 80.00           | 79.00               | 39.00                      |
| 29,000 - 29,999        | 80.00           | 79.00               | 39.00                      |
| 30,000 - 30,999        | 80.00           | 79.00               | 39.00                      |
| 31,000 - 31,999        | 80.00           | 79.00               | 39.00                      |
| 32,000 - 32,999        | 80.00           | 79.00               | 39.00                      |
| 33,000 - 33,999        | 80.00           | 79.00               | 39.00                      |
| 34,000 - 34,999        | 80.00           | 79.00               | 39.00                      |
| 35,000 - 35,999        | 80.00           | 79.00               | 39.00                      |
| 36,000 - 36,999        | 80.00           | 79.00               | 39.00                      |
| 37,000 - 37,999        | 80.00           | 79.00               | 39.00                      |
| 38,000 - 38,999        | 80.00           | 79.00               | 39.00                      |
| 39,000 - 39,999        | 80.00           | 79.00               | 39.00                      |
| 40,000 - 40,999        | 80.00           | 79.00               | 40.00                      |
| 41,000 - 41,999        | 80.00           | 79.00               | 41.00                      |
| 42,000 - 42,999        | 80.00           | 79.00               | 42.00                      |
| 43,000 - 43,999        | 80.00           | 79.00               | 43.00                      |
| 44,000 - 44,999        | 80.00           | 79.00               | 44.00                      |
| 45,000 - 45,999        | 80.00           | 79.00               | 45.00                      |
| 46,000 - 46,999        | 80.00           | 79.00               | 46.00                      |
| 47,000 - 47,999        | 80.00           | 79.00               | 47.00                      |
| 48,000 - 48,999        | 80.00           | 79.00               | 48.00                      |
| 49,000 - 49,999        | 80.00           | 79.00               | 49.00                      |
| 50,000 - 50,999        | 80.00           | 79.00               | 50.00                      |
| 51,000 - 51,999        | 80.00           | 79.00               | 51.00                      |
| 52,000 - 52,999        | 80.00           | 79.00               | 52.00                      |
| 53,000 - 53,999        | 80.00           | 79.00               | 53.00                      |
| 54,000 - 54,999        | 80.00           | 79.00               | 54.00                      |
| 55,000 - 55,999        | 80.00           | 79.00               | 55.00                      |
| 56,000 - 56,999        | 80.00           | 79.00               | 56.00                      |
| 57,000 - 57,999        | 80.00           | 79.00               | 57.00                      |
| 58,000 - 58,999        | 80.00           | 79.00               | 58.00                      |
| 59,000 - 59,999        | 80.00           | 79.00               | 59.00                      |
| 60,000 - 60,999        | 80.00           | 79.00               | 60.00                      |
| 61,000 - 61,999        | 80.00           | 79.00               | 61.00                      |
| 62,000 - 62,999        | 80.00           | 79.00               | 62.00                      |
| 63,000 - 63,999        | 80.00           | 79.00               | 63.00                      |
| 64,000 - 64,999        | 80.00           | 79.00               | 64.00                      |
| 65,000 - 65,999        | 80.00           | 79.00               | 65.00                      |
| 66,000 - 66,999        | 80.00           | 79.00               | 66.00                      |
| 67,000 - 67,999        | 80.00           | 79.00               | 67.00                      |
| 68,000 - 68,999        | 80.00           | 79.00               | 68.00                      |
| 69,000 - 69,999        | 80.00           | 79.00               | 69.00                      |
| 70,000 - 70,999        | 80.00           | 79.00               | 70.00                      |
| 71,000 - 71,999        | 80.00           | 79.00               | 71.00                      |
| 72,000 and over        | 80.00           | 79.00               | 71.00                      |

Monthly benefit levels in above table effective:

- 1/1/2017 for Pratt & Whitney\*
- 6/1/2016 for Hamilton Sundstrand\*\*
- 1/1/2016 for Pratt & Whitney Florida (West Palm Beach)

\* Note that the benefit multiplier will increase to a flat \$85 effective January 1, 2020. The change was adopted and effective after the valuation date of January 1, 2017 and therefore, not reflected in the January 1, 2017 ERISA PPA funding valuation. The increase to \$85 will first be reflected for ERISA PPA purposes in the 2020 actuarial valuation.

\*\* Note that the benefit multiplier will increase to a flat \$84 effective January 1, 2020. The change was adopted and effective after the valuation date of January 1, 2017 and therefore, not reflected in the January 1, 2017 ERISA PPA funding valuation. The increase to \$84 will first be reflected for ERISA PPA purposes in the 2020 actuarial valuation.

b. Definitions

- (i) Annual Earnings: Total compensation including pre-tax contributions to the savings plan and pre-tax contributions to a cafeteria plan, but excluding awards and reimbursements. Base pay rate in the last partial year is annualized. Annual earnings are limited each year to the applicable Section 401(a)(17) pay limit, as indexed (\$270,000 for 2017).
- (ii) Final Average Earnings: The average Annual Earnings for the highest five calendar years in the last ten calendar years before termination. The highest five years must be consecutive for Pratt & Whitney Florida (West Palm Beach).
- (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.

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 the Normal Retirement Date.
- c. Rule of 65 Benefit: (For Pratt & Whitney and Hamilton Sundstrand only) 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 5 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:
  - the date Social Security disability benefits cease
  - the date retirement benefits commence
  - death

## **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) 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
- (vii) Available only to employees of Pratt & Whitney, Hamilton Sundstrand and Pratt & Whitney Florida (West Palm Beach)
  - (a) 5 or 15 year certain and continuous annuity
  - (b) 50%, 66-2/3%, 75% or 100% contingent annuitant pop-up option
  - (c) Social Security level income annuity

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 Rep)  
Aerospace Rep  
Hamilton Sundstrand - Rockford**

**1. Eligibility**

- a. Eligible Employees: Employees of Sundstrand at the Rockford Factory covered by a collective bargaining agreement which provides for participation under this subplan.
- b. Participation Requirements: Eligible Employees become participants on the date of employment.

**2. Accrued Benefit**

- a. Formula: Annual benefit level from the table below times years of Credited Service:

|                                  | Years of Service < 30 | Years of Service > 30 |
|----------------------------------|-----------------------|-----------------------|
| Retirement Date                  | Annual Benefit Amt.   | Annual Benefit Amt.   |
| June 1, 1999 – May 31, 2000      | \$ 318.00             | \$ 423.96             |
| June 1, 2000 – May 31, 2001      | 324.00                | 432.00                |
| June 1, 2001 – May 31, 2002      | 330.00                | 440.04                |
| June 1, 2002 – June 30, 2003     | 336.00                | 447.96                |
| July 1, 2003 – December 31, 2007 | 408.00                | 542.64                |
| January 1, 2008 – May 30, 2008   | 456.00                | 606.48                |
| May 31, 2008 – May 30, 2011      | 528.00                | 702.24                |
| May 31, 2011 – May 30, 2015      | 612.00                | 813.96                |
| May 31, 2015 and after           | 684.00                | 909.72                |

- b. Definitions

- (i) Continuous Service (service): The sum of years of service as of December 31, 1993 determined in accordance with the prior Sundstrand plan and years of service on or after January 1, 1994 based on the hours of service in each calendar year as follows: for every full 170 hours of service, 1/10 of a year of service will be earned, to a maximum of one year at 1,000 hours of service.
- (ii) Credited Service: The sum of years of credited service as of December 31, 1993 determined in accordance with the prior Sundstrand plan and years of Credited Service on or after January 1, 1994 based on the hours of service in each calendar year as follows: for every full 170 hours of service, 1/10 of a year of service will be earned, to a maximum of one year at 1,700 hours of service.

**3. Normal Retirement**

- a. Date: First of the month following the later of the date on which a participant attains age 65, or 5 years 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 earliest of:
- (i) age 60 and the completion of 10 years of service, but before the Normal Retirement Date.
  - (ii) the completion of 30 years of service before age 55
  - (iii) age 55 with the participant's age plus service equaling at least 85, but before the attainment of age 60.
- b. Benefit: The accrued benefit at retirement payable monthly reduced (as below) per year for each year benefit commencement precedes age 62:

| Age | ERF   | Age | ERF   | Age | ERF   |
|-----|-------|-----|-------|-----|-------|
| 47  | 0.304 | 52  | 0.450 | 57  | 0.694 |
| 48  | 0.328 | 53  | 0.489 | 58  | 0.752 |
| 49  | 0.354 | 54  | 0.532 | 59  | 0.808 |
| 50  | 0.383 | 55  | 0.579 | 60  | 0.867 |
| 51  | 0.415 | 56  | 0.635 | 61  | 0.933 |
|     |       |     |       | 62  | 1.000 |

- c. Restoration Benefit: If a participant retires before age 65 with 30 years of service, or after age 55 but before age 65 with 85 points (age + service), then the ERF gets removed (ERF=1) when the participant turns age 65.
- d. Interim Supplemental Allowance: Available to anyone retiring within two years of the last day worked and prior to age 65. This benefit is payable until the earlier of age 65 or death.
- (i) For participants with 30 years of service:

| Retirement Date                  | Supplement Benefit Amount                        |
|----------------------------------|--------------------------------------------------|
| June 1, 1999 – May 31, 2000      | \$ 21,600-[318*(CS<30)*ERF]-[423.96*(CS>30)*ERF] |
| June 1, 2000 – May 31, 2001      | 24,000-[324*(CS<30)*ERF]-[432*(CS>30)*ERF]       |
| June 1, 2001 – May 31, 2002      | 24,600-[330*(CS<30)*ERF]-[440.04*(CS>30)*ERF]    |
| June 1, 2002 – June 30, 2003     | 25,200-[336*(CS<30)*ERF]-[447.96*(CS>30)*ERF]    |
| July 1, 2003 – December 31, 2007 | 25,200-[408*(CS<30)*ERF]-[542.64*(CS>30)*ERF]    |
| January 1, 2008 – May 30, 2008   | 31,200-[456*(CS<30)*ERF]-[606.48*(CS>30)*ERF]    |
| May 31, 2008 – May 30, 2011      | 37,200-[528*(CS<30)*ERF]-[702.24*(CS>30)*ERF]    |
| May 31, 2011 – May 30, 2015      | 42,000-[612*(CS<30)*ERF]-[813.96*(CS>30)*ERF]    |
| May 31, 2015 and after           | 45,600-[684*(CS<30)*ERF]-[909.72*(CS>30)*ERF]    |

(ii) For participants with less than 30 years and before age 65:

The amount below x Credited Service.

For retirements June 1, 1999 – December 31, 2007, the following amounts are payable until age 62:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 126.00      | 58         | \$ 162.00      |
| 56         | 138.00         | 59         | 174.00         |
| 57         | 150.00         | 60         | 186.00         |
|            |                | 61         | 198.00         |

For retirements January 1, 2008 – May 30, 2008, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 156.00      | 58         | \$ 192.00      |
| 56         | 168.00         | 59         | 204.00         |
| 57         | 180.00         | 60         | 216.00         |
|            |                | 61-64      | 228.00         |

For retirements May 31, 2008 – May 30, 2011, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 168.00      | 58         | \$ 204.00      |
| 56         | 180.00         | 59         | 216.00         |
| 57         | 192.00         | 60         | 228.00         |
|            |                | 61-64      | 240.00         |

For retirements May 31, 2011 – May 30, 2015, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 180.00      | 58         | \$ 216.00      |
| 56         | 192.00         | 59         | 228.00         |
| 57         | 204.00         | 60         | 240.00         |
|            |                | 61-64      | 252.00         |

For retirements May 31, 2015 and after, the following amounts are payable until age 65:

| <u>Age</u> | <u>Benefit</u> | <u>Age</u> | <u>Benefit</u> |
|------------|----------------|------------|----------------|
| 55         | \$ 192.00      | 58         | \$ 228.00      |
| 56         | 204.00         | 59         | 240.00         |
| 57         | 216.00         | 60         | 252.00         |
|            |                | 61-64      | 264.00         |

## 5. Postponed Retirement

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

## 6. Social Security Bridge Lump Sum

- Eligibility: Retirement on or after July 26, 1999.
- Benefit: Lump sum payment equal to \$30 for each year of Credited Service, up to a maximum of 30 years. This benefit is payable at the later of age 62 or date of retirement.

## 7. Special Age 65 Benefit

- a. Eligibility: The month following the month a retired participant or surviving spouse attains age 65. The month a disabled participant becomes enrolled in Medicare Part B.
- b. Benefit: The amount of the Special Age 65 Benefit is shown in the table below, and is based on the date the participant or surviving spouse attains age 65:

| <u>Date Attain age 65</u>         | <u>Annual Amount</u> |
|-----------------------------------|----------------------|
| January 1, 1989 to March 31, 1989 | \$ 116.40            |
| April 1, 1989 to March 31, 1990   | 168.00               |
| April 1, 1990 to March 31, 1991   | 192.00               |
| April 1, 1991 to June 30, 1995    | 216.00               |
| July 1, 1995 and later            | 276.00               |

## 8. 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.

## 9. Disability Benefit

- a. Eligibility: Disability after completing 10 years of service but prior to age 65.
- b. Benefit: The accrued benefit at disability, plus \$216 x Credited Service (max 30), both payable monthly commencing six months after disablement and continuing during the participant's lifetime until the earlier of:
- (i) unreduced Social Security retirement
  - (ii) the Normal Retirement Date

## 10. 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, the greater of a 60% spouse's benefit or a 50% spouse's benefit, as compared after applying the applicable joint and survivor annuity factors in the prior Sundstrand plan, and payment commences immediately, reduced as described in 4.b. above, or age 65.  
  
If the participant was eligible for the Restoration Benefit in 4.c. above, and had attained age 62 at death, then the spouse benefit commences immediately and is unreduced.
  - (ii) If the participant dies after completing five years of service and is married, but does not meet the requirements of (i) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 60, reduced as described in 8.b. above, or age 65.

**11. Form of Payment**

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) An actuarially reduced 60% joint and survivor annuity for married participants
- b. Optional Forms:
  - (i) 75% contingent annuity (with or without pop-up)
  - (ii) 50% contingent annuity (with or without pop-up)
  - (iii) Life annuity for married participants
  - (iv) Lump sum for monthly amounts of \$100 or less

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 Rep)  
Carrier B**

**1. Eligibility**

- a. Eligible Employees: Employees of the Carrier Group at Syracuse, New York, covered by a collective bargaining agreement which provides for participation under this subplan. Employees hired after October 1, 2012 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on the first day of the month following age 21 and one year of eligibility service.

**2. Accrued Benefit**

- a. Formula:  $\$612 \times \text{years of Credited Service (max 35 years)}$
  - b. Definitions
    - (i) Continuous Service (service): The total period of a participant's employment, including service after Normal Retirement Date.
    - (ii) Credited Service: Credited Service prior to January 1, 2003 is based on Continuous Service if the participant has 10 or more years of service, not in excess of 35 years. If the participant has less than 10 years of service, service coincident with or following the earlier of:
      - (a) Age 21 and one year of service
      - (b) Five years of service
- Credited Service on or after January 1, 2003 is based on hours of service in each calendar year as follows:

| <u>Hours of Service</u> | <u>Fractional Year of<br/>Credited Service Earned</u> |
|-------------------------|-------------------------------------------------------|
| Less than 400           | 0.0                                                   |
| 400 – 799               | 0.5                                                   |
| 800 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 up to a maximum reduction of 50%. The benefit is unreduced if the participant retires on or after the attainment of age 60 and the completion of 20 years of service, or after the attainment of age 55 and the completion of 30 years of 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 or attaining age 60, 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 and the completion of 10 years of service, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date, up to a maximum reduction of 50%.

## 7. Disability Benefit

- a. Eligibility: Disability after completing five years of Credited Service.
- b. Benefit: The accrued benefit at disability payable monthly commencing six months after disablement.

## 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 50% contingent annuitant's 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 five years of service and is married, but does not meet requirements of (i) above, a 50% spouse's benefit is payable, and payment commences when the participant would have attained age 65, or age 55 if the participant had completed at least 10 years of service, but reduced as described in 6.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) 5 year certain and continuous annuity
  - (iii) 100% contingent annuity (with or without pop-up)
  - (iv) 75% contingent annuity (with or without pop-up)
  - (v) 50% contingent annuity (with or without pop-up)
  - (vi) Life annuity for married participants
  - (vii) Lump sum payment based on the 417(e) basis for the month of November of the prior year, and the 417(e) government mandated mortality table. Not available to participants hired after December 31, 1993 and to participants with respect to Credited Service on or after July 1, 1995.

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 Rep)  
Carrier BDP East**

**1. Eligibility**

- a. Eligible Employees: Hourly employees of the Carrier Group at the BDP Company, Indianapolis, Indiana, covered by the collective bargaining agreement with the United Steel Workers of America which provides for participation under this subplan. Employees hired after April 28, 2014 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on the first of the month coincident with or following their date of employment.

**2. Accrued Benefit**

- a. Formula: The greater of (i) or (ii):
  - (i) \$636 x years of Credited Service (max 40 years)
  - (ii) August 31, 1987 accrued benefit
- 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 not in excess of 40 years.

**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% per year for each of the first five years benefit commencement precedes age 65 plus, if the participant retires before the attainment of age 60, 6% per year for each of the next five years benefit commencement precedes age 60. The benefit is unreduced if the participant retires after the attainment of age 55 and the completion of 30 years of service. The benefit is also unreduced if the participant retires on or after the attainment of age 60 and the completion of 15 years of Credited Service upon a permanent shutdown or a layoff with little likelihood of recall.

**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 and the completion of 10 years of service, 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 greater of the accrued benefit at disability or \$1,800 a year payable monthly commencing six months after disablement.

## 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. Form of Payment

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) A reduced 50% joint and survivor annuity with pop-up for married participants where reduction is based on the without pop-up factor
- b. Optional Forms:
  - (i) 100% contingent annuity (with or without pop-up)
  - (ii) 75% contingent annuity (with or without pop-up)
  - (iii) 50% contingent annuity (with or without pop-up)
  - (iv) 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 Rep)  
Carrier Collierville**

**1. Eligibility**

- a. Eligible Employees: Employees of the Carrier Group at Collierville, Tennessee, covered by a collective bargaining agreement which provides for participation under this subplan. Employees hired after November 14, 2015 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on the date of employment.

**2. Accrued Benefit**

- a. Formula:  
\$564 x years of 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.

**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 (reduction not to exceed 50%).

**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 and the completion of 10 years of service, with the benefit reduced 6% per year for each year benefit commencement precedes the Normal Retirement Date (reduction not to exceed 50%).

**7. Disability Benefit**

- a. Eligibility: Disability after completing 5 years of Credited Service.
- b. Benefit: The accrued benefit at disability payable monthly commencing six months after disablement.

**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 if the participant had completed 10 years of service, 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) 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) 50% contingent annuity
  - (v) 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 Rep)  
Carrier ICP Hourly**

**1. Eligibility**

- a. Eligible Employees: Employees of the Carrier Group of International Comfort Products covered by a collective bargaining agreement which provides for participation under this subplan. Employees hired after October 1, 2013 are ineligible to participate.
- b. Participation Requirements: Eligible Employees become participants on their date of employment.

**2. Accrued Benefit**

- a. Formula:  $\$480 \times \text{years of Credited Service}$ .
- 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

**3. Normal Retirement**

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

**4. Early Retirement**

- a. Date: First of the month coincident with or next following retirement after the attainment of age 55 and the completion of five 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 (reduction not to exceed 50%).

**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 (reduction not to exceed 50%).

## **7. Disability Benefit**

- a. Eligibility: Disability after the attainment of age 55 and completing 15 years of service and qualified to receive Social Security disability benefits.
- b. Benefit: The accrued benefit at disability payable monthly commencing six months after disablement and continuing during the participant's lifetime until the cessation of disability, provided cessation occurs before age 70.

## **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 Post-retirement Death Benefit**

- a. Eligibility: Death while eligible for an early, normal or postponed retirement benefit, or after the attainment of age 65 and becoming eligible for a disability retirement benefit.
- b. Benefit: A \$3,000 lump sum payment, reduced by the value of any company-provided group term life insurance benefit, payable immediately to the beneficiary, spouse, children, parent or estate (in that order).

## **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) 10 year certain and continuous annuity
  - (ii) 75% contingent annuity
  - (iii) 66⅔% contingent annuity
  - (iv) 50% contingent annuity
  - (v) 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 Rep)  
Control Hourly - Carrier Huntington**

**1. Eligibility**

- a. Eligible Employees: Hourly employees of Control Systems covered by a collective bargaining agreement which provides for participation under this subplan.
- b. Participation Requirements: Eligible Employees become participants after one year of employment if they have completed 1,000 hours of service; or if later, on the January 1 coincident with or following a calendar year in which they completed 1,000 hours of service.

**2. Accrued Benefit**

- a. Formula:  $\$396 \times \text{years of Credited Service}$
- 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 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<br/>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 and the completion of 10 years of service, with the benefit reduced 6% 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 service and one year of Credited Service, and qualified to receive Social Security disability benefits.
- b. Benefit: \$420 a year payable monthly commencing six months after disablement, 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 if the participant had completed at least 10 years of service, 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: The lesser of \$2,000 or, 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) 10 year certain and continuous annuity
  - (ii) 100% contingent annuity
  - (iii) 75% contingent annuity
  - (iv) 50% contingent annuity
  - (v) 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 Rep)  
Goodrich Wage  
Troy**

**1. Eligibility**

- a. Eligible Employees: All wage employees with benefit schedule 14.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$660 (\$720 effective March 1, 2017\* and \$756 effective March 1, 2020\*\*) x years of Credited Service
- b. Definitions
  - (i) Continuous Service (service): Elapsed time since date of employment by Goodrich Corporation.
  - (ii) Credited Service: Years and months of service as an eligible employee since hire date.

**3. Normal Retirement**

- a. Date: First of the month coinciding with or next following the attainment of age 65 with five 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 10 years of service or after the completion of 30 years of service (age not considered), but before the Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced 4.8% for each year of payment before age 62, or unreduced if 30 years of service have been completed.

**5. Supplemental Benefit**

- a. Eligibility: Early retirement with 30 years of Credited Service before and up to age 62.
- b. Benefit: \$12,000 plus \$120 per year age greater than 55 plus \$66 per year Credited Service greater than 30.

\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2018 ERISA PPA funding valuation.

\*\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2020 ERISA PPA funding valuation.

**6. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**7. 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, actuarially reduced for each year of payments before the participant's Normal Retirement Date to age 55.

**8. Disability Benefit**

- a. Eligibility: Total disability after completing 5 years of service.
- b. Benefit: The accrued benefit based on Credited Service as of disability date, payable monthly at disability date.

**9. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed, or vested termination retirement benefits, with a surviving spouse.
- b. Benefit: 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.

**10. Form of Payment**

- a. Normal Form:
  - (i) 5 year certain and continuous annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity with 5 years certain for married participants.
- b. Optional Forms:
  - (i) 10 year certain and continuous annuity
  - (ii) 100% joint and survivor annuity with 5 years certain
  - (iii) 75% joint and survivor annuity with 5 years certain

Actuarial equivalence is based on the 1971 TPF&C Unisex Forecast Mortality Table with 1-year setback for participants and 1-year setback for beneficiaries and an interest rate of 6% per annum, compounded annually.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
Union West Virginia**

**1. Eligibility**

- a. Eligible Employees: All wage employees with benefit schedule 3.
- b. Participation Requirements: Date of becoming an eligible employee. As of January 1, 2006, no new participants are allowed to participate.

**2. Accrued Benefit**

- a. Formula: Credited Service times 1.15% of Final Average Earnings plus Credited Service up to 35 years times 0.45% of Final Average Earnings in excess of Covered Compensation.  
  
Effective January 1, 2015, all final average earning related benefits 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.
- b. Definitions
  - (i) Continuous Service (service): Elapsed time since date of employment by Goodrich Corporation.
  - (ii) Credited Service: Years and months of service as an eligible employee as of the later of the hire date and May 1, 1972.  
  
Service for employees who opted out of the plan through Retirement Choice is limited to service prior to June 30, 2006.
  - (iii) Pensionable Pay: Base pay including 401(k) deferrals plus bonus plus overtime.
  - (iv) 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.
  - (v) 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.

**3. Normal Retirement**

- a. Date: First of month coinciding with or next following the attainment of age 65.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 5 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced 4% for each year of payment before age 62.

**5. Supplemental Benefit**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 5 years of service.
- b. Benefit: \$6,540 plus \$120 per year age greater than 55 plus \$264 per year Credited Service greater than 30 less the Early Retirement Benefit.

**6. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**7. 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, actuarially reduced for each year of payments before the participant's Normal Retirement Date to age 55. If terminate after 1/1/2002, the reduction is 4% per year from age 62 to 55.

**8. Disability Benefit**

- a. Eligibility: Date of employment.
- b. Benefit: The accrued benefit based on pensionable pay as of disability date, payable monthly at Normal Retirement Date. Service continues to accrue while disabled.

**9. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed, or vested termination retirement benefits, with a surviving spouse. In-service death is company paid, death after termination is paid by employee through actuarial reduction of benefit.
- b. Benefit: 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.

**10. Form of Payment**

- a. Normal Form:
  - (i) 5 year certain and continuous annuity for unmarried participants
  - (ii) An actuarially reduced 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) Life annuity
  - (ii) 100% joint and survivor annuity
  - (iii) 75% joint and survivor annuity
  - (iv) 50% joint and survivor annuity
  - (v) 15 year certain and continuous annuity
  - (vi) 10 year certain and continuous annuity
  - (vii) 5 year certain and continuous annuity
  - (viii) Social Security level income annuity
  - (ix) Lump sum for participants whose benefit has a lump sum value of \$15,000 or less
  - (x) Lump sum (for terminations in 2016 or later years). Available for 1 year following termination. Actuarially equivalent annuity options are also available if participant is not otherwise eligible.

Actuarial equivalence for optional forms other than lump sum is based on 1994 GAM (75% male/25% female for participant mortality and 25% male/75% female for joint annuitant mortality), and an interest rate of 6%.

Actuarial equivalence for lump sum is based on 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
Tulahoma**

**1. Eligibility**

- a. Eligible Employees: All wage employees with benefit schedules 20 or 21.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$672 (\$732 effective February 1, 2017\*) x years of Credited Service (max 40 years)
- b. Definitions
  - (i) Continuous Service (service): Elapsed time since date of employment by Goodrich Corporation or Cleveland Pneumatic Company.
  - (ii) Credited Service: Years and months of service as an eligible employee as of the hire date or August 1, 1997, if later.

**3. Normal Retirement**

- a. Date: First of month coinciding with or next following the attainment of age 65 with five years of service.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 5 years of service.
- b. Benefit: Accrued benefit at retirement payable monthly, reduced 6% for each year of payment before age 65.

**5. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2018 ERISA PPA funding valuation.

**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, reduced 6.0% for each year of payments before the participant's Normal Retirement Date to age 55.

**7. Disability Benefit**

- a. Eligibility: Total disability after completing 10 years of service.
- b. Benefit: The accrued benefit based on Credited Service as of disability date, payable immediately.

**8. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed, or vested termination retirement benefits, with a surviving spouse.
- b. Benefit: 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and reduced to payment date, payable immediately.

**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) Life annuity for married participants
  - (ii) 100% joint and survivor annuity
  - (iii) 75% joint and survivor annuity
  - (iv) 50% joint and survivor annuity
  - (v) 10 year certain and continuous annuity

Actuarial equivalence for optional forms uses the 1983 Group Mortality Table for males with a one-year setback for participants and a five-year setback for beneficiaries, and an interest rate of 8%.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
Aerostructures (Rohr)**

**1. Eligibility**

- a. Eligible Employees: All employees represented by a labor organization which has signed an agreement making this plan applicable to its members. Applies to benefit schedule 25.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$936 (\$996 effective January 1, 2018\*) x years of Credited Service
- b. Definitions
  - (i) Continuous Service (service): One year each calendar year in which an employee completes 1,000 hours of service.
  - (ii) Credited Service: One-twelfth of a year for each 150 hours of service with a maximum of one year for each calendar year.
  - (iii) Hours of Service: Each hour for which the employee was directly or indirectly paid including vacation, sickness or disability; in addition, each hour for which back pay is awarded or agreed to.

**3. Normal Retirement**

- a. Date: Date on which a participant attains age 65.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 55 and completing 10 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced for those participants with less than 30 full years of service, by 3/10% for each month of payment before Normal Retirement Date.

**5. 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: Accrued benefit determined at termination, reduced for those participants with 10 years of service but less than 30 years of service by 3/10% for each month of payment before the participant's Normal Retirement Date.

\* This change is effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2018 ERISA PPA funding valuation.

## **6. Disability Benefit**

- a. Eligibility: Disability status after completing 10 years of service before age 65.
- b. Benefit: Accrued benefit determined as of the date of disablement and without reduction before age 65. In addition, a \$250 per month supplement is payable until eligibility for Social Security benefits if not eligible for Social Security disability benefits.

## **7. Pre-retirement Death Benefit**

- a. Eligibility: Death after completing five years of service.
- b. Benefit:
  - (i) If the participant is married, 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and, if the participant had 10 years of vesting service prior to death, reduced for payment as early as the participant's 55<sup>th</sup> birthday.
  - (ii) If the participant is unmarried, accrued benefit as of the date of the participant's death reduced with plan early retirement factors for those participants who met retirement eligibility and actuarially reduced for those not yet retirement eligible. Benefit is converted to a 10 year certain and life annuity. Benefit is payable to a participant's estate for 10 years certain only.

## **8. Form of Payment**

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) 75% joint and survivor annuity
  - (ii) 100% joint and survivor annuity
  - (iii) 10 year certain and continuous annuity
  - (iv) Level income annuity
  - (v) Lump sum payment for amounts less than \$5,000
  - (vi) Life annuity for married participants

Actuarial equivalence for optional forms other than lump sum is based on the 1984 Uniform Pension Mortality Table setback three years for beneficiaries and an interest rate of 6%.

Actuarial equivalence for lump sum is based on the 417(e) government mandated basis.

**United Technologies Corporation  
Employee Retirement Plan (UTC Rep)  
Goodrich Wage  
TRW Rome (Utica)**

**1. Eligibility**

- a. Eligible Employees: The Plan covers all hourly-rate employees of the Company covered by the Local 4831 bargaining agreement. Applies to benefit Schedule 28.
- b. Participation Requirements: Date of becoming an eligible employee.

**2. Accrued Benefit**

- a. Formula: \$672 (\$720 effective April 30, 2019\*) x years of Credited Service
- b. Definitions
  - (i) Continuous Service (service): Equal to the sum of (a) and (b) below:
    - (a) All years of vesting service earned under the prior plan as of the effective date, and
    - (b) On and after the effective date, one year of vesting service is recognized for each plan year in which the employee receives compensation for at least 1,000 hours.
  - (ii) Credited Service: Equal to the sum of (a) and (b) below:
    - (a) All years of benefit service under the prior plan as of the effective date, and
    - (b) On and after the effective date, one year of benefit service is granted for each plan year in which the employee has 1,700 or more compensated hours. If an Employee completes less than 1,700 hours of Credited Service but more than 142 hours of Credited Service in a plan year, one twelfth of a year of Credited Service is given for every 142 hours of service.

**3. Normal Retirement**

- a. Date: First of month coincident with or next following the attainment of age 65 with five years of service.
- b. Benefit: The accrued benefit at retirement, payable monthly.

**4. Early Retirement**

- a. Eligibility: Retirement before Normal Retirement Date and on or after both attaining age 60 and completing 10 years of service.
- b. Benefit: The accrued benefit at retirement payable monthly, reduced 5/9 of 1% for each month of payment before age 65.

**5. Postponed Retirement**

- a. Eligibility: Retirement after Normal Retirement Date.
- b. Benefit: The accrued benefit at retirement, payable monthly.

\* This change was adopted and effective after the valuation date of 1/1/2017 and therefore, not reflected in the 1/1/2017 ERISA PPA funding valuation. It will be reflected in the 1/1/2019 ERISA PPA funding valuation.

**6. Special Age 65 Benefit**

- a. Eligibility: Age 65 for all retired employees or surviving spouses. Participants who retired from deferred vested status are not eligible.
- b. Benefit: \$86.40 per year

**7. 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 at age 65. However, the employee may elect to commence benefits after reaching age 60 and before age 65, in which event his monthly benefit would be reduced as for early retirement.

**8. Disability Benefit**

- a. Eligibility: Totally and permanently disabled prior to reaching age 65, after at least ten years of Credited Service.
- b. Benefit: Accrued benefit determined as of disability date, payable on the first day of the month after at least 26 weeks have elapsed since disability began. In addition, a temporary benefit is payable in an amount equal to the benefit level in effect at disability for each year of benefit service at disability date (not to exceed 25 years). This temporary benefit shall not be payable for any month after the employee attains age 65 or becomes eligible for an unreduced Social Security benefit, whichever occurs first.

When a disabled retiree reaches age 65 or the qualifying age for an unreduced Social Security benefit, he shall thereafter receive a normal retirement pension and shall no longer be considered to be on disability retirement.

**9. Pre-retirement Death Benefit**

- a. Eligibility: Death while eligible for normal, early, postponed or vested termination retirement benefits having been married at least one year.
- b. Benefit: If an employee dies after attaining age 60 with ten years of Credited Service, his spouse receives the spouse benefit assuming the employee had retired early and elected the 50% joint and survivor option the day before his death. If an employee dies before age 60, the benefit is calculated as if the employee terminated his employment on his date of death, survived to his earliest retirement date and elected the 50% joint and survivor option. Benefit is not paid before employee would have been age 60.

**10. Form of Payment**

- a. Normal Form:
  - (i) Life annuity for unmarried participants
  - (ii) 50% joint and survivor annuity for married participants.
- b. Optional Forms:
  - (i) Life annuity for married participants
  - (ii) 50% joint and survivor annuity

Actuarial equivalence for optional forms uses 1994 GAM (75% male/25% female for participant mortality and 25% male/75% female for joint annuitant mortality), and an interest rate of 6%.

| Plan               | Changes                                                                                                                                                                                                                                                | Effective Date |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| All Plans          | IRC Section 401(a)(17) compensation limit was increased from \$265,000 to \$270,000.                                                                                                                                                                   | 01/01/2017     |
|                    | IRC Section 415 benefit limit was increased from \$210,000 to \$215,000.                                                                                                                                                                               | 01/01/2017     |
| Non-Rep            | The cash balance crediting rate for Rocketdyne was changed from 5.25% to 5.00%.                                                                                                                                                                        | 01/01/2017     |
| Rep:               |                                                                                                                                                                                                                                                        |                |
| Aerospace          | HS Connecticut division: maximum monthly benefit level changed from \$71 (for earnings \$71,000 and over) to \$79 at all pay levels. In addition, employees hired after 6/30/2016 are ineligible to participate in the defined benefit pension plan.   | 06/01/2016     |
|                    | P&W Connecticut division: maximum monthly benefit level changed from \$72 (for earnings \$72,000 and over) to \$80 at all pay levels. In addition, employees hired after 12/31/2016 are ineligible to participate in the defined benefit pension plan. | 01/01/2017     |
| Carrier Huntington | Monthly benefit level increased from \$31 to \$33.                                                                                                                                                                                                     | 04/01/2016     |
| Carrier BDP East   | Monthly benefit level increased from \$51 to \$53.                                                                                                                                                                                                     | 09/01/2016     |
| Carrier ICP        | Monthly benefit level increased from \$38 to \$40.                                                                                                                                                                                                     | 10/01/2016     |
| Goodrich Wage      | LAPT (Rome) division: monthly benefit level increased from \$50 to \$56.                                                                                                                                                                               | 04/30/2016     |
|                    | Landing Gear Plating division: monthly benefit level increased from \$38 to \$42.                                                                                                                                                                      | 04/03/2016     |

**UNITED TECHNOLOGIES CORPORATION  
EMPLOYEE RETIREMENT PLAN**

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

December 31, 2017

| (a) | (b)<br>Identity of issuer, borrower,<br>lessor, or similar party | (c)<br>Description of investment including<br>maturity date, rate of interest,<br>collateral, par, or maturity value | (d)<br>Cost of<br>asset | (e)<br>Current<br>value |
|-----|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| *   | Prudential Retirement Insurance<br>and Annuity Company           | Immediate Participation Guarantee Fund                                                                               | \$ 70,943,819           | 70,943,819              |
| *   | Metropolitan Life Insurance Company                              | Immediate Participation Guarantee Fund                                                                               | 5,940,812               | 5,940,812               |
| *   | Metropolitan Life Insurance Company                              | Separate Accounts-Blackrock Managed<br>Broad Market Bond Fund                                                        | 2,954,901               | 2,954,901               |
|     | Total                                                            |                                                                                                                      | \$ 79,839,532           | 79,839,532              |

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

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

See accompanying independent auditors' report.

**Schedule SB, Line 25**  
**Change in Method**

The valuation software used to produce the actuarial information submitted on this schedule has been changed as part of our harmonization of our valuation software systems, and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under Revenue Proc. 2017-56 Section 4.02.