Conflicts of Interest

A. SUMMARY

B. APPLICABILITY

C. POLICY

Exhibit 1 – Procedures
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D. REFERENCES
A. SUMMARY

Directors, officers and employees of United Technologies Corporation (“UTC” or “the Corporation”) must act solely in the best interests of the Corporation and must avoid conduct and relationships where obligations to the Corporation might be compromised.

B. APPLICABILITY

This Policy applies to the Corporation and the subsidiaries, divisions and other business entities it controls worldwide.

C. POLICY

1. Directors, officers and employees must act in the best interests of the Corporation. Decisions and actions must not be influenced by outside factors such as personal investments, non-UTC activities (including employment), duties owed to others, or personal relationships.

2. A survey to identify actual or potential conflicts will be conducted periodically to ensure that directors, officers and employees are aware of and certify compliance with this Policy. See Exhibit 1. Approvals to waive actual or potential conflicts of interest will be approved in advance in accordance with Exhibit 2.

3. Violations of this Policy can result in disciplinary action, up to and including termination of employment.

D. REFERENCES

None
A. Conflicts of Interest

1. Directors, officers and employees of UTC must act in the best interests of the Corporation and must avoid the use of their position or influence within the Corporation for personal gain or for the benefit of others, including:

   a) **Personal relationships that could inappropriately influence decisions or actions.**

      (i) Under this broad policy, directors, officers and employees must avoid situations and conduct that might compromise their independence, impair their judgment, or exploit their position in the Corporation.

      (ii) Specifically, family and romantic relationships within a supervisory chain (directly or indirectly) are prohibited, except when separated by at least three supervisory levels. Human Resources has authority to define, interpret, and apply this policy. This will include the power to find that a relationship is acceptable to the Corporation; provided, however, any such power may be exercised only by Human Resources at UTC HQ for a person located in the headquarters of a Business Unit, and only by Human Resources at a Business Unit HQ for a person located elsewhere within the business. In the exercise of authority under this subparagraph, Human Resources will consider local laws, community norms, and the needs of the business.

      (iii) This Policy is intended to avoid the abuse of authority and position. Nothing in this Policy should be construed to limit or discourage active mentoring and associations that contribute to professional development that serves to benefit the Corporation.

   b) **Financial interests, directly or indirectly (including stock ownership) in any of UTC’s suppliers, customers, or competitors.**

      (i) Specifically, directors, officers and employees should not have, either directly or indirectly through relatives or otherwise, a financial or stock ownership interest in the Corporation’s suppliers, customers or competitors of a size which has the potential of being at variance with the best interests of the Corporation. Such financial interests should not be so large in amount or significance in relationship to total assets or savings of the individual as to influence their judgment or have the appearance of doing so. A conflict of interest usually results when a UTC director, officer or employee (A) is in a position to influence the purchase or sale of goods or services, accept a contract or other terms and conditions, or negotiate, approve or accept other business arrangements with a supplier, customer or competitor, or (B) the director, officer or employee maintains (either directly or indirectly through family members or others) a financial or equity interest in a supplier, customer or competitor that comprises more than 5% of his/her net worth or represents...
more than 5% of the total amount of the supplier’s, customer’s, or competitor’s equity.

(ii) The scope of "financial interest" is very broad and can include the employment of relatives or friends by suppliers, customers or competitors of UTC, and outside business arrangements of directors.

c) **Service to another organization, whether as a director, officer, employee, or consultant, unless disclosed to UTC and approved by UTC as not detrimental to UTC’s interests.**

(i) No officer or employee shall be employed by or render service to another company or organization as a director, officer, employee or a consultant except with the approval of the chief executive officer of the Corporation or his designee, who shall be satisfied that (A) such affiliation is not detrimental to the interests of the Corporation, directly or indirectly, (B) proprietary information of the Corporation will be safeguarded, (C) undue outside influence will not be brought to bear upon the decisions or actions of the officer or employee in the performance of his/her work for the Corporation and (D) the Corporation will not be unduly deprived of the full measure of his/her working time, attention to assigned duties and loyalty. Recognizing each employee’s rights of free expression and association, neither notice nor approval is required for participation in a private club or in a recreational, cultural, educational, fraternal, political or religious organization. Although approval is not required for participation in a private club or in a recreational, cultural, educational, fraternal, political or religious organization, officers and employees should remain sensitive to actual or potential conflicts that may arise from such participation and seek advice from their cognizant Business Practices Officer should potential conflicts arise. Except for efforts directly supporting UTC’s contributions program (see **Corporate Policy Manual – Section 11 – Charitable and Philanthropic Contributions**), efforts in support of such organizations must be accomplished without UTC’s resources.

(ii) A UTC director’s employment by or service to another company or organization as a director, officer, employee, consultant or otherwise must be disclosed to UTC’s Corporate Secretary in accordance with Board governance procedures, and otherwise whenever it could impair the director’s ability to objectively reach determinations solely in the best interests of UTC and its shareholders. These situations are subject to review and approval by UTC in accordance with the Corporation’s corporate governance rules.

d) **Acceptance of a gift, directly or indirectly, from those doing business with or seeking to do business with UTC.**

(i) As a general rule, no officer or employee shall seek or accept, directly or indirectly, any payments, entertainment, gifts, gratuities, thing of value or any other form of compensation, benefit, or persuasion from suppliers, customers or others doing business with or seeking to do business with the Corporation.
Business gifts that are customary business courtesies and are reasonable in value and frequency may be accepted but should be infrequent and simple tokens of esteem. Stricter limitations apply to employees who have direct purchasing responsibilities, including employees in a purchasing function and others, if designated by the business unit such that the affected employees can be readily identified, including employees who are supplier quality assurance representatives, employees responsible for source selection, or employees authorized to make purchases directly from suppliers. Such employees may only accept (a) beverages, light snacks and business meals served during business meetings held at the facilities of subcontractors, vendors, or suppliers, (b) business meals when in travel status, (c) promotional or advertising items having truly nominal value, such as calendars or pads of paper, and (d) any other gift, entertainment or other gratuity if reported to and approved in writing by the cognizant Business Practices Officer or the UTC Vice President, Global Compliance.

(ii) Directors of UTC are subject to these restrictions while representing the Corporation incident to their service on the Board of Directors.

e) Misuse or improperly share with others information which is confidential, proprietary or otherwise "inside" information of the Corporation; this prohibition includes trading in UTC’s securities on the basis of "inside" information.

(i) In addition, there may be situations where a director, officer, employee, or third party providing services to the Corporation, through his/her work with the Corporation, receives confidential or inside information concerning the Corporation, the publication of which would be likely to have a material effect upon the market price of a security of the Corporation, or of another entity. This information may not be used or transmitted until such information is a matter of general public knowledge. See Section 30 entitled Securities Trading & Release of Material Nonpublic Information.

f) Receipt of any other improper personal benefits as a result of a position within the Corporation.

(i) Under certain circumstances, UTC is required to disclose transactions in which “related parties” have an interest, including directors, executive officers, and their family members. These transactions include any business dealings or employment relationships -- other than providing normal employee benefits -- that could create potential conflicts of interest that directly or indirectly benefit the related party involved, as opposed to UTC shareholders. UTC shall not enter into a transaction, arrangement, or relationship (or any series of similar transactions, arrangements or relationships) in which it (or any of its subsidiaries) is or will be a participant, unless approved in advance as described in Exhibit 2 and in the Corporation’s Corporate Governance Guidelines.
g) **Pledging, Hedging and Short Sales of UTC Stock.**

(i) Directors and executive officers of the Corporation as defined by Section 16 of the Securities Exchange Act are prohibited from pledging or assigning an interest in UTC stock, stock options or other equity interests as collateral for a loan. Such transactions are contrary to the Corporation’s expectation that directors and executive officers maintain sufficient unencumbered personal economic interests in the Corporation’s stock to ensure alignment with shareowner interests. Pledging of stock or of the rights to acquire stock undermines this objective.

(ii) Note that a broader prohibition on hedging and short sales is contained in Section 30. This applies more broadly to all UTC officers and employees.

C. **Survey**

1. The Corporation periodically will survey is directors, officers, and certain employees for actual or potential conflicts of interest.

2. The UTC Corporate Secretary will survey members of the Board of Directors, as described in the Board’s governance guidelines.

3. The following officers and employees shall be surveyed by the UTC Vice President, Global Compliance:
   a) All elected or appointed directors and officers of UTC and its operating units;
   b) Each employee in Level 4 or above, or equivalent salary grades/levels in operating units not using this grade system;
   c) Each employee below Level 4 who, by reason of his or her duties or position, may negotiate, approve, recommend or influence the award of contracts, subcontracts, purchase orders, blanket purchase orders or individual orders under any of the above, for the purchase or sale of products or services; and
   d) Each employee below Level 4 who, by reason of his or her duties or position, directly supports a purchasing function, such as vendor quality control, establishment of requirements or specifications for purchase or source evaluation, approval or selection.
   e) Included among the employees covered under (c) or (d) above are marketing personnel, transportation managers, quality assurance representatives resident at a vendor facility, employees responsible for procurement of supplies or services under blanket purchase orders, employees responsible for engagement of consultants or other professionals, employees authorized to make credit card purchases, and employees having significant duties and responsibilities for construction projects, scrap disposal, advertising, public relations, and information technology.
   f) These criteria are not intended to be exhaustive. It is left to the discretion of the operating unit’s Human Resources Department, with assistance from the Business
Practices Officer, to identify employees whose duties and responsibilities could give rise to conflicts of interest.

g) Although the survey is intended to reach as many employees as possible, employees who may not be covered during the survey may become subject to these requirements during the year. Human Resources departments are responsible for assuring that new or updated statements, e.g., those necessitated by new hires and/or transfers, promotions, changes in responsibilities and the like, are obtained and reviewed as soon as practicable after the employee becomes subject to these requirements.

h) Executing the survey is a requirement of employment and continued employment.

4. The UTC Corporate Secretary’s Office will retain surveys completed by directors; actual or potential conflicts will be resolved in accordance with the Corporation’s governance standards and pertinent laws, regulations and stock exchange rules. All other surveys must be retained in accordance with pertinent UTC record retention policies.

5. When a survey discloses any matter or raises a question, the facts and a recommended resolution will be reviewed and approved or disapproved in accordance with Exhibit 2, or, if applicable, according to the Board of Director’s governance guidelines. The operating unit’s chief executive shall be consulted on matters involving senior management of the unit or other significant matters. A written response from the Business Practices Officer shall be addressed to the officer or employee, indicating the disposition or resolution of any conflict situation that was disclosed. This determination may require the officer or employee to divest, dissolve, or otherwise mitigate the actual or potential conflict, and can include job reassignment or termination of employment by UTC if, in the company’s reasonable determination, this will provide the most effective resolution of the conflict or apparent conflict.
EXHIBIT 2
Conflict of Interest – Consultation/Approval Request

Part 1
If request was received by the Local ECO, this completed form must be submitted to the Regional ECO for additional comment on page 2 and subsequent conveyance to the Global (GECO) for handling in accordance with the Conflict of Interest/Approval Matrix. If information was initially received by the Regional ECO, he/she shall consult with the Local ECO and complete Parts 1 and 2 and convey the completed form to the GECO for handling in accordance with the Conflict of Interest Consultation/Approval Matrix.

Name of receiving Ethics & Compliance Officer (ECO):

Date received:

Name of employee:

Organization/unit/location:

Employee’s title, grade, duties/function:

How was this actual or potential conflict identified (e.g., annual survey, inquiry, investigation, etc):

Detailed description of the facts and circumstances. Please provide specific times and dates that events occurred and identities/roles of all involved parties. Discuss fully the responsibilities of the affected UTC employee, why these circumstances may represent a conflict of interest and what, if any, steps can be taken to mitigate or eliminate the conflict. (Attach additional pages if necessary):

Employee’s immediate supervisor:

Management’s recommendation:
Part 2 (If Required)

Name of Regional ECO:

Date received:

Today’s date:

Based upon your knowledge of the facts and circumstances of this matter, does this activity represent a conflict of interest? □ Yes □ No

Please discuss the basis for the above conclusion and address the following factors:

Impact/risk of this actual/potential conflict to UTC:

Impact/risk to employee’s work schedule and/or ability to perform duties:

Will this conflict create perception issues to others inside or outside UTC (e.g., third parties, suppliers, etc.?)

Mitigation steps taken or planned:

Name and opinion of local operating unit's chief executive, if necessary:

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1 The local operating unit's chief executive shall be consulted on matters involving senior management of the unit or other significant matters.
Conflicts of Interest Consultation/Approval MATRIX

<table>
<thead>
<tr>
<th>Conflict of Interest Type</th>
<th>Employee Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial interest in supplier/customer/competitor &gt;5% of company equity or &gt;5% of employee net worth, or other financial matter described in Corporate Policy 7. Pledging of UTC stock as collateral.</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Financial interest in supplier/customer/competitor if employee can influence purchase/sales of goods/services, accept a contract or terms and conditions or negotiate/approve/accept business arrangements for the company.</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Employment by or provision of services to another entity other than UTC or a UTC company as an employee, consultant, etc.</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Employment by or provision of services to another entity as an officer or director when the entity is not owned by the employee or an immediate family member.</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Employment by or provision of services to another entity as an officer or director when the entity is owned by the employee or an immediate family member</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Seeking or accepting gifts from those doing business with or seeking to do business with UTC except as permitted by law, regulation, and the Code of Ethics and other UTC policies.</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Gifts to a customer for his/her individual benefit except as previously reported and approved IAW law, regulation, and the Code of Ethics and other UTC policy.</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Use or sharing of IP, proprietary, confidential or “inside” information</td>
<td>UTC VP, Global Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Uncompensated participation, in any capacity, in a private club, or recreational / cultural / educational / fraternal / political / religious or other “not for profit” organization.</td>
<td>No approval required</td>
</tr>
</tbody>
</table>

Note: Actual or potential conflicts of interest for Board of Directors members and officers subject to Board governance requirements shall be reviewed and approved as required by the Board’s governance standards.