

## **CHARTER OF THE COMMITTEE ON COMPENSATION AND EXECUTIVE DEVELOPMENT**

### **I. Purpose**

The Committee on Compensation and Executive Development (the “Committee”) shall be a standing committee of the Board of Directors. The purpose of the Committee shall be to discharge the board’s responsibilities related to compensation and development of UTC’s executive officers and such other employees as the Committee shall determine, to prepare an annual report on executive officer compensation for inclusion in UTC’s proxy statement in accordance with applicable rules and regulations, and to consider other matters related to UTC’s compensation practices.

### **II. Composition**

The Committee shall be comprised exclusively of independent directors. Committee members should have senior management experience, including a general understanding of executive compensation practices intended to support recruitment, retention and alignment of management and shareowner interests.

### **III. Meetings**

The Committee shall meet as required and normally meets four times annually. The Committee may meet more frequently and, as the Committee may require in fulfilling its responsibilities, it may meet privately with independent compensation consultants, members of management and others.

### **IV. Responsibilities**

The Committee shall:

- A. Review and approve corporate goals and objectives relevant to the Chief Executive Officer’s compensation, evaluate the Chief Executive Officer’s performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the Chief Executive Officer’s compensation, including annual and long-term incentives, based on this evaluation.
- B. Review and make recommendations to the board on the election of officers. Lead the process for determining the successor(s) to the Chief Executive Officer and report regularly to the Board, in executive session, on the progress and development of successor candidates;
- C. Review and approve compensation actions affecting other executive officers and members of UTC’s Executive Leadership Group. In determining annual and long-term incentive awards, consider, among other factors the Committee deems appropriate, individual performance, company performance, shareowner return, previously established objectives and incentive compensation practices of relevant peer

companies. The Chief Executive Officer, the Chief Operating Officer and the Senior Vice President, Human Resources and Organization shall each have the authority to approve compensation actions affecting executives who are not executive officers or members of the Executive Leadership Group, including, without limitation, the authority to: (i) approve annual and long-term incentive awards; (ii) approve out of cycle awards such as new hire and retention grants; and (iii) interpret, administer and modify awards in accordance with plan provisions;

- D. Periodically review compensation practices involving other executives;
- E. Periodically review management development programs and management structure and organization;
- F. Review and approve participants in the Executive Leadership Group and the Senior Executive Severance Plan;
- G. Review and approve the Corporation's annual incentive compensation and long term incentive plans for executives, with authority to amend each plan (subject to shareholder approval requirements for equity-based plans) and to determine awards for executive officers;
- H. Report annually to the board on its assessment of the Committee's performance as a group; and
- I. Undertake such other matters as may be referred to it from time to time.

V. Authority

The Committee shall have full access to all management and authority to consult independent legal or other advisors, including sole authority to retain and terminate any compensation consultant and to approve the firm's fees and other retention terms.