

## ANTI-CORRUPTION

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## A. SUMMARY

United Technologies Corporation shall compete for business and pursue other business objectives solely on the merits. No corrupt payment, in any amount or form, shall be authorized, offered, promised, or made by or on behalf of UTC to anyone, anywhere, for any purpose. UTC's books and records shall accurately record all company assets, liabilities, and transactions. No deliberately false or misleading entry shall be made in company books and records, and no alternate set of books and records or unrecorded fund or asset shall be established. This absolute prohibition against corrupt payments and non-transparent books and records will be broadly construed and strictly enforced.

## B. APPLICABILITY

United Technologies Corporation, its **Business Units**, subsidiaries, divisions, and other controlled business entities and operations ("**Operating Units**"), and all directors, officers, and employees thereof, worldwide (collectively "**UTC**").

## C. DEFINITIONS

"**Corporate**" means the **UTC** corporate office and "**Business Unit**" or "**BU**" means Otis Elevator Company, Pratt & Whitney, UTC Aerospace Systems, UTC Climate, Controls & Security, and United Technologies Research Center. "**CPM**" means Corporate Policy Manual. Other **Bold** terms are defined in [Exhibit 1](#).

## D. POLICY

1. No **Corrupt Payment**, in any amount or form, shall be authorized, offered, promised, or made, directly or indirectly, by or on behalf of **UTC** to anyone, anywhere, for any purpose. **UTC** will terminate the employment of any employee who authorizes, offers, promises, or makes, directly or indirectly, any **Corrupt Payment** by or on behalf of **UTC**.
2. **UTC** may offer and provide **Political Contributions** ([CPM 5: Government Relations](#)), **Philanthropic Donations** ([CPM 11: Philanthropic Donations](#)), **Offset Agreements** and **Offset Transactions** ([CPM 44: Industrial Cooperation and Economic Offset](#)), **Business Gifts** ([CPM 48A: Giving Business Gifts](#)), and **Sponsored Travel** ([CPM 48B: Sponsoring Third Party Travel](#)) when bona fide and offered and provided solely for the purpose authorized by, and approved in strict conformity with, the foregoing referenced policies.
3. Discussions with and offers to current and former **Government Officials** and **Related Parties** of current **Government Officials** regarding their hire or retention by **UTC** as employees or as **Vendors** shall comply with [CPM 48C: Hiring and Retaining Current and Former Government Officials and Their Relatives](#).
4. **Vendors** shall be required to categorically refrain from authorizing, offering, promising, making, or otherwise facilitating in any manner, any **Corrupt Payment** by or on behalf of **UTC**. **UTC** shall not retain prospective and terminate existing **Vendors** that are unable or unwilling to comply. All **Collection Agencies**, **Consultants**, **Customs Brokers**, **Field Contractors**, **Immigration Vendors**, **Tax Consultants** and **Travel Agencies** ([CPM 17: Service Vendors](#)), **Vendors** participating in **Offset Transactions** ([CPM 44: Industrial Cooperation and Economic Offset](#)), **Lobbyists** ([CPM 48D: Lobbyists](#)), and **Distributors** and **Non-Employee Sales Representatives** (including **NSRs** furnishing **U.S. Government Marketing** or **U.S. Government Sales**) ([CPM 48E: Distributors and Non-Employee Sales Representatives](#)) shall be selected, screened, retained, monitored, and managed in strict conformity with the foregoing referenced policies.
5. Joint ventures (equity or contractual) over which **UTC** exerts **Control** shall adopt and implement this Policy. To ensure adoption and implementation of this Policy in joint ventures (equity or contractual) where **UTC** lacks **Control**, requirements substantially similar to this Policy shall be incorporated into the joint venture agreement (before closing or upon renewal/amendment) or annually adopted by the shareholders, board of directors, or other governance body of the venture.

6. Whether or not it will acquire **Control**, **UTC** shall conduct thorough due diligence of all acquisition targets for potential **Corrupt Payments** including, without limitation, interviews of key management personnel, and promptly disclose, address, and fully mitigate all material findings in internal approval documents, definitive agreements, and integration plans (see [CPM 1: Mergers, Acquisitions, Divestitures, Joint Ventures, Securities Purchases, and Sales of Assets or Intangibles](#)).
7. The **Books and Records** of each **Operating Unit** shall accurately record all assets, liabilities, and transactions of the **Operating Unit**. No deliberately false, incomplete, or otherwise misleading entry in any **Books and Records**, false or alternate set of **Books and Records**, or undisclosed or unrecorded fund or asset shall be authorized, made, or established for any purpose. No payment by or on behalf of **UTC** will be authorized, offered, promised, or made with the intention or understanding that any part of such payment is to be used for a purpose other than that described in the **Books and Records**.
8. Each member of the **UTC** Board of Directors, all other **UTC** directors (employee or non-employee), and all **UTC** officers and indirect/salaried employees shall annually represent in writing that he or she is either aware or not aware of a **Corrupt Payment**, or other violation of this Policy, that has not been formally reported to **UTC** ethics and compliance personnel or legal counsel. Unless prohibited by local law or other restrictions (e.g., works councils, collection bargaining agreements), annual representation is mandatory for indirect/salaried employees, and directors and officers over whom **UTC** has the power of removal. To facilitate participation by non-employee directors, the board of directors or other governance body may, in lieu of individual representations, provide an annual representation by way of resolution signed by all directors or members. To ensure appropriate investigation, and that refusal is not based upon knowledge of a **Corrupt Payment**, **Operating Unit** legal counsel shall contact each respondent who either reports awareness of matters or refuses to provide a written representation.

## E. RESPONSIBILITIES<sup>1</sup>

1. The **UTC** Executive Vice President and General Counsel is responsible for interpretation. The **UTC** Corporate Vice President, Global Ethics and Compliance, will review this Policy biennially.
2. The **UTC** Corporate Vice President, Controller, will incorporate controls and testing procedures in applicable common controls matrices, and the **UTC** Corporate Vice President, Internal Audit, will conduct periodic audits (including **Compliance Audits** (see [CPM 34: Global Ethics and Compliance Program](#))), in each case to assess compliance at the **Operating Unit** level, including transactions involving the activities and **Vendors** referenced in Section D3 and 4 above. Within the regular scope of its annual financial audits, **UTC's** independent auditor will also review such controls and transactions to ensure compliance.
3. Each **BU** president or chief executive shall implement policies and/or procedures no less restrictive, and maintain an internal control program adequate to ensure compliance.

## F. REFERENCES<sup>2</sup>

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<sup>1</sup> Applicable to this Policy and [CPM 48A](#), [48B](#), [48C](#), [48D](#), and [48E](#).

<sup>2</sup> [CPM 1: Mergers, Acquisitions, Divestitures, Joint Ventures, Securities Purchases, and Sales of Assets or Intangibles](#); [CPM 4: Business Ethics and Conduct in Contracting with the United States Government](#); [CPM 5: Government Relations](#); [CPM 11 Philanthropic Donations](#); [CPM 17: Service Vendors](#); [CPM 44: Industrial Cooperation and Economic Offset](#); [CPM 48A: Giving Business Gifts](#); [CPM 48B: Sponsoring Third Party Travel](#); [CPM 48C: Hiring and Retaining Current and Former Government Officials and their Relatives](#); [CPM 48D: Lobbyists](#); [CPM 48E: Distributors and Non-Employee Sales Representatives](#).

**EXHIBIT 1: DEFINITIONS**

**Affiliate** means an **Entity**:

- that exercises **Control** over the referenced **Entity**; or
- over which the referenced **Entity** exercises **Control**; or
- that, together with the referenced **Entity**, is under common control of another **Entity**.

**Anything of Value** means any tangible or intangible thing of value including, without limitation, goods, services **Cash, Business Gifts, Employment, Offset Agreement, Offset Transaction, Philanthropic Donation, Political Contribution, or Sponsored Travel.**

**Books and Records** means any and all documents created and maintained by or on behalf of an **Entity** to record and represent the **Entity's** business affairs and transactions including, without limitation, accounts, books, journals, ledgers, financial statements, contracts and similar instruments, invoices, payments, and receipts as well as any internal approvals or authorizations and supporting documents related to any of the foregoing. The term **Books and Records** is intentionally defined to encompass the full range of documents recording and representing **UTC's** business affairs, and shall be interpreted as broadly as the context requires to promote the purposes of this Policy.

**Business Gift** is defined in [CPM 48A: Giving Business Gifts](#).

**Cash** means the following, in any amount:

- legal currency or tender of any kind (including holiday/festival red envelopes/packets);
- cash equivalents; i.e., instruments and items that are:
  - readily convertible to cash (e.g., checks, travelers' checks, bearer instruments, notes, and similar instruments);
  - exchanged as de facto currency or as part of fungible exchange or re-gifting practices (e.g., tangible or intangible (digital) pre-paid gift/shopping cards or coupons (including mooncake coupons) and cigarettes (other than for immediate consumption)); or
- securities (e.g., equity or debt instruments of any kind).

**Collection Agency(ies)** is defined in [CPM 17: Service Vendors](#).

**Consultant(s)** is defined in [CPM 17: Service Vendors](#).

**Control** means the power, directly or indirectly, to:

- vote more than 50% of an **Entity's** securities having voting power to appoint members of the **Entity's** governance body; or
- direct or cause the direction of an **Entity's** day-to-day business decisions and policies, whether through the ownership of voting securities, by contract, or otherwise.

**Corrupt Payment** means any **Facilitating Payment**, or **Anything of Value** authorized, offered, promised, or provided, directly or indirectly, to improperly influence an official or business act or to secure any improper advantage. **Corrupt Payment** excludes any **Anything of Value** provided in response to a bona-fide extortionate demand by a **Third Party** which places a **UTC** employee under imminent threat of physical harm.

**Customer** means any **Third Party** that purchases and uses or consumes **UTC** products or services.

**Customs Broker(s)** is defined in [CPM 17: Service Vendors](#).

**Distributor(s)** is defined in [CPM 48E: Distributors and Non-Employee Sales Representatives](#).

**Employment** is defined in [CPM 48C: Hiring and Retaining Current and Former Government Officials and Their Relatives](#).

**Entity** means any corporation, limited liability company, partnership, sole proprietorship, trust, or similar entity, or other organization, whether or not "for-profit."

**Facilitating Payment** means **Anything of Value** authorized, offered, promised, or provided to a **Government Official** for the purpose of securing or expediting the performance of a **Routine Government Action**. **Facilitating Payment** excludes a fee paid to a **Government** department, ministry, agency, or bureau in accordance with published guidelines, procedures, or regulations that expressly authorize the performance or expedition of a **Routine Government Action** upon receipt thereof.

**Field Contractor(s)** is defined in [CPM 17: Service Vendors](#).

**Government** means any:

- government, U.S. or non-U.S., whether at the national, regional, state, or local/municipal level;
- **Government Aviation Authority**;
- airline owned (in whole or in part) or operated by a government;
- **Entity** acting in an official capacity on behalf of a government;
- **Entity**, company, or business in which a government exerts **Control**;
- political party;
- public international organization (e.g., United Nations, World Bank, World Trade Organization, International Civil Aviation Organization, etc.); or
- department, agency, subdivision, or instrumentality of any of the foregoing.

**Government Aviation Authority** is defined in [CPM 48B: Sponsoring Third Party Travel](#).

**Government Official** means any director, officer, or employee (whether elected or appointed) of a **Government**, or any candidate for any position therein.

**Immigration Vendor(s)** is defined in [CPM 17: Service Vendors](#).

**Lobbyist(s)** is defined in [CPM 48D: Lobbyists](#).

**Non-Employee Sales Representative(s)** or **NSR** is defined in [CPM 48E: Distributors and Non-Employee Sales Representatives](#).

**Offset Agreement** is defined in [CPM 44: Industrial Cooperation and Economic Offset](#).

**Offset Transaction(s)** is defined in [CPM 44: Industrial Cooperation and Economic Offset](#).

**Philanthropic Donation(s)** is defined in [CPM 11: Philanthropic Donations](#).

**Political Contribution(s)** is defined in [CPM 5: Government Relations](#).

**Routine Governmental Action** means an action or approval that a **Government Official** is duty-bound to perform or provide as a matter of law without discretion.

**Related Party** means, with regard to:

- an individual, an immediate or extended family member of such individual including, without limitation, parents, siblings, spouses, uncles, aunts, nephews, and nieces;
- an **Entity**, an **Affiliate** of such **Entity**.

**Sponsored Travel** is defined in [CPM 48B: Sponsoring Third Party Travel](#).

**Tax Consultant(s)** is defined in [CPM 17: Service Vendors](#).

**Third Party** means, with regard to:

- an individual, any individual that is not an employee of **UTC** or any **Affiliate** of **UTC**;

- an **Entity**, any **Entity** that is not **UTC** or an **Affiliate** of **UTC** (for the purposes of this Policy, **UTC** joint venture partners and **Vendors**, and their respective **Affiliates**, are **Third Parties**).

**Travel Agency(ies)** is defined in [CPM 17: Service Vendors](#).

**U.S. Government Marketing** is defined in [CPM 48E: Distributors and Non-Employee Sales Representatives](#).

**U.S. Government Sales** is defined in [CPM 48E: Distributors and Non-Employee Sales Representatives](#).

**Vendor** means any existing or prospective **Third Party** contractor or supplier of materials or services to **UTC**.