

LOBBYISTS

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A. SUMMARY

United Technologies Corporation shall carefully select and screen, closely monitor, and effectively manage all lobbyists to ensure reputable representation and strict compliance with company policies and applicable laws, including those prohibiting anti-competitive and corrupt practices.

B. APPLICABILITY

This Policy applies to 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**”). The selection, screening, retention, and monitoring of **Distributors** and **Non-Employees Sales Representatives** (including those retained to provide **U.S. Government Marketing** or **U.S. Government Sales**) is governed by [CPM 48E: Distributors and Non-Employee Sales Representatives](#).

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

All **Lobbyists** 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 **Lobbyists** that are unable or unwilling to comply. **Lobbyists** shall be selected, screened, retained, monitored, and managed in accordance with [Exhibit 2](#).¹

E. RESPONSIBILITIES²

1. [SVP GGR and BU Chief Executives](#). The Senior Vice President, Global Government Relations (“**SVP GGR**”) and **BU** chief executives are responsible for **GGR** and **BU** implementation of and compliance with this Policy (including [Exhibit 2](#)).
2. [Sponsors](#). The **Operating Unit**-level chief executive officer shall appoint for each **Lobbyist** an employee (“**Sponsor**”) primarily responsible and accountable for sponsoring its candidacy (whether new or renewal) and monitoring its performance, in each case to ensure strict compliance with the letter and spirit of this Policy. **Sponsors** shall be at least manager-level employees of the **Operating Unit** most closely associated with the activities of the **Lobbyist** who shall certify on the basis of first-hand knowledge to its reputable representation and strict compliance with this Policy.

¹ The Corporate Vice President, Global Ethics and Compliance (“**CVP GEC**”) is authorized to prescribe and amend [Exhibits 1-6](#) as deemed necessary to ensure compliance with this Policy and [CPM 48: Anti-Corruption](#).

² In addition to the responsibilities set forth in [CPM 48: Anti-Corruption](#).

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**.

Books and Records is defined in [CPM 48: Anti-Corruption](#).

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 is defined in [CPM 48: Anti-Corruption](#).

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

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

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

Government means any:

- government, foreign or domestic, whether at the national, regional, local, or municipal level;
- **Government Aviation Authority (GAA)**;
- airline owned or operated by a government;
- **Entity** acting in an official capacity on behalf of a government;
- **Entity**, company, or business in which the 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 (GAA) 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.

Individual Service Vendor is defined in [CPM 48C: Hiring and Retaining Current and Former Government Officials and Their Relatives](#)

Lobbying means any:

- contact or communication (written or verbal) by or on behalf of **UTC** with any **Government** or **Government Official**, or an **Affiliate** of or **Related Party** thereto, for the purpose of advocacy on legislative, regulatory, or policy matters or programs (including the negotiation, award, or administration of a U.S. federal **Government** permit or license) including, without limitation, contact or communication with any:
 - members or staff of the U.S. Congress;
 - the President, Vice President or political appointees in the U.S. executive branch;
 - general or flag officers in the U.S. military;
 - U.S. state/local government legislatures or agencies with regard to legislation, regulations, treaties, policies or programs (including negotiation, award, or administration of a permit or license);
- other activity that falls within the definition of lobbying or a lobbyist under any U.S. (federal, state/local) or non-U.S. laws or regulations, and the individual or firm undertaking such activities is expected to discharge obligations (e.g., registration, reporting, etc.) in accordance with such laws or regulations.

The determining factor is the nature of contacts, communications, and activities to be undertaken, not the status or affiliation of the individual or firm; **Vendors** other than **Lobbyists** may be deemed to have engaged in **Lobbying** if undertaking one or more of the foregoing activities.

Lobbyist means an existing or prospective **Vendor** selected or retained by **UTC** to furnish **Lobbying**.

Material Change means, with respect to a **Lobbyist**, any change in:

- **Control**;
- ownership;
- any amendment to a **Lobbyist Agreement** previously approved by **Corporate** that increases either the compliance risk or compensation from that previously approved; or
- other fact or circumstance that, in the opinion of **Operating Unit** legal counsel, materially increases the compliance risk.

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

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](#).

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 clarity, for the purposes of this Policy, joint venture partners and **Vendors**, and their respective **Affiliates**, are **Third Parties**).

Unfair Competitive Advantage means that a contractor competing for award of any U.S. federal or U.S. state/local **Government** contract possesses either:

- proprietary information obtained without proper authorization from an officer or representative of such **Government**; or
- source selection information relevant to the contract but not available to all competitors, and such information would assist the contractor in obtaining the contract.

U.S. Federal Government Employee is defined in [CPM 48C: Hiring and Retaining Current and Former Government Officials and Their Relatives](#).

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

EXHIBIT 2: PROCEDURES**A. SELECTION**

1. **GGR**, in consultation with **BU** government relations personnel and senior management, is responsible for determining when and why it is necessary or advantageous to utilize a **Lobbyist** rather than or in addition to **UTC** employees. Affirmative determinations should specify objective criteria (e.g. credentials, qualifications, performance standards, statement of work, etc.) for the prospective **Lobbyist** ("**Candidate**"). When a **Candidate** has been identified, the **Sponsor** shall prepare for incorporation in the **Application Package** a detailed business justification statement explaining how and why the **Candidate** will satisfy the objective criteria.
2. Before undertaking preliminary discussions to retain any **Candidate** who is an **Individual Service Vendor** and a current **Government Official** (including a **U.S. Federal Government Employee**) or a **Related Party** to any current **Government Official** (including a **U.S. Federal Government Employee**), the requesting **Operating Unit** shall comply with the requirements of [CPM 48C: Hiring and Retaining Current and Former Government Officials and their Relatives](#).³

B. SCREENING (DUE DILIGENCE)

1. **Operating Unit** legal counsel (or their designee(s) independent from the sales and marketing organization) shall screen all **Candidates** to verify their credentials, qualifications, and integrity, and compile findings in a due diligence file ("**Due Diligence File**") comprising items 1-10 of [Exhibit 3](#). The nature and scope of the due diligence shall reflect the structure and magnitude of the proposed fees, relative risk presented by the type of services to be furnished, and the inherent risk of anti-competitive, corrupt, or other unethical or non-transparent practices in the jurisdiction or segment where the services will be performed. [Exhibit 3](#) sets forth the minimum due diligence requirements for all **Candidates**.
2. **Operating Unit** legal counsel shall also ensure that proposed engagements for **Lobbying** involving the U.S. federal **Government** will: (a) satisfy the requirements of the "procurement integrity" provisions of the Office of Federal Procurement Policy ("OFPP") Act as implemented by [Federal Acquisition Regulation](#) ("FAR") 3.104, the "Byrd Amendment" (implemented by FAR 3.8); (b) meet pertinent registration and reporting requirements under the [Lobbying Disclosure Act](#); and (c) not confer upon **UTC** any **Unfair Competitive Advantage**⁴ ([FAR 9.5](#)). For **Lobbying** involving U.S. state/local **Governments**, **Operating Unit** legal counsel shall determine whether similar restrictions or requirements apply.

C. APPROVAL

1. All approval requests shall be supported by an application package ("**Application Package**") comprising the **Due Diligence File**, prior required approvals, and a fully-executed memorandum ("**Application Memorandum**") as set forth in [Exhibit 4](#). [Exhibit 5](#) sets forth the minimum approvals requirements for **Lobbyists**.
2. All **Application Packages** and approvals must present sufficient foundation to support a reasonable judgment that: (1) business justification exists for use of a **Lobbyist** in general and **Candidate** in particular; (2) **Candidate** possesses the requisite credentials, qualifications, and integrity, and has met or will likely meet stated performance requirements; (3) **Candidate's** retention will: (a) not confer upon **UTC** an **Unfair Competitive Advantage**; and (b) comply with applicable procurement and registration requirements; and

³ In lieu of revolving door clearance pursuant to [CPM 48C](#), **Operating Units** shall obtain representations and warranties from **Candidates** who are not **Individual Service Vendors** regarding their compliance with applicable revolving door laws and regulations. (see [Exhibit 6](#))

⁴ The risk of **Unfair Competitive Advantage** typically arises with the retention of current or former **U.S. Federal Government Employees** or U.S. state or local/municipal **Government Officials** whose work for others (including U.S. federal or state/local **Governments**) may provide access to proprietary or source selection information.

- (4) **Candidate** is willing and able to strictly comply with the **Lobbyist Agreement**, **UTC** policies, and applicable laws, including those prohibiting anti-competitive and corrupt practices.
3. Additional advance approvals are required for certain activities undertaken by **Lobbyists** during their representation of **UTC** (see [CPM 5: Government Relations](#), Exhibit 2, Section C1).

D. RETENTION

1. For each **Candidate** submitted for approval, **Operating Unit** legal counsel (or their designee(s) independent from the sales and marketing organization) shall: (a) provide the **Candidate** with a written agreement conforming with or substantially similar to [Exhibit 6](#) ("**Lobbyist Agreement**") incorporating the scope of work, performance standards, compensation, and payment terms consistent with the **Sponsor's** business justification statement and **Application Package**; and (b) notify the **Candidate** in writing that: (i) representation of **UTC** is contingent upon receipt of all required **UTC** internal approvals and a fully executed **Lobbyist Agreement**; (ii) no payments will accrue or be paid in advance thereof; (iii) no payments or obligations will be made except as expressly provided by the executed **Lobbyist Agreement**; and (iv) **Candidate** must strictly adhere to the executed **Lobbyist Agreement** and this Policy and that **UTC** will take all appropriate legal action if it should be violated, including termination of the **Agreement**.
2. No **Lobbyist** shall commence representation of **UTC** or receive compensation unless and until: (a) all required due diligence and approvals required by this Policy have been completed and obtained; and (b) the **Operating Unit** and **Lobbyist** have fully executed a duly authorized **Lobbyist Agreement**.
3. **Lobbyists** approved for renewal (see Section H) with **Lobbyist Agreements** that are due to expire shall be retained in accordance with this Section D

E. COMPENSATION

Compensation of **Lobbyists** shall be in the form of a fixed price or a fixed daily or hourly billing rate for services performed. When this method is impracticable or inappropriate, a reasonable monthly retainer may be used. Advances, contingent or success-based fee structures, and incentive compensation are prohibited. If the procuring **Operating Unit** chooses to reimburse expenses ("**Expenses**") incurred by a **Lobbyist**, the fixed price or retainer should be reduced to reflect that the **Lobbyist** has not assumed the full risk of recovering its costs. Reimbursement of **Expenses** should be strictly limited to legitimate normal-course business outlays (and extraordinary-course outlays when a retainer is provided) actually incurred by the **Lobbyist** that are directly related to its representation of **UTC** and commensurate in nature and amount with expenses reimbursed to similar-situated **UTC** employees.

F. PAYMENT AND ALLOWABILITY/ALLOCABILITY

1. **Lobbyists** shall provide an itemized invoice that: (a) accurately describes, in reasonable detail, the actual services performed even where the **Lobbyist** is provided a retainer;⁵ (b) the individuals or **Entities** performing the services; (c) the period of performance; and (d) the **Expenses** that are payable under the agreement, supported by authentic receipts.
2. Payments shall be authorized only if the invoice meets the foregoing requirements and the invoiced activities and payments are expressly authorized by the **Lobbyist Agreement**. Under no circumstances shall any payment be made that is not authorized by the **Lobbyist Agreement** or that would constitute or create the appearance of a **Corrupt Payment**.

⁵ Attendance records and reports of committee meetings shall constitute sufficient documentation for **Lobbyists** engaged as members of advisory panels or committees.

3. All payments shall be: (a) approved and/or made by the **Corporate** Controller's Office/designee (for **Lobbyist Agreements** executed by Corporate/UTIO) or by the **Operating Unit** headquarters finance department (without power of delegation) (for **Lobbyist Agreements** executed by **BUs**); (b) made (absent exception approved by **CVP GEC**) exclusively by wire to a bank account registered in the name of the approved **Lobbyist** in the jurisdiction of **Lobbyist's** formation; and (c) promptly and accurately recorded in the **Operating Unit's Books and Records**.
4. The procuring **Operating Unit** shall review invoices and **Expenses** submitted for payment to determine the allowability and allocability of such costs under U.S. federal **Government** cost allowability rules. Fees and **Expenses** paid to **Lobbyists** shall not be charged, directly or indirectly, to the U.S. federal **Government** without the prior approval of the **Operating Unit's** government accounting staff or **UTC** Assistant Controller-Government Accounting.

G. MONITORING AND TRAINING

Operating Units shall conduct monitoring and training of all **Lobbyists** sufficient to ensure strict compliance with the letter and spirit of this Policy. The nature and extent of monitoring and training shall reflect the risk inherent presented by the **Lobbyist**, and the **Sponsor** shall be primarily responsible and accountable for ensuring that required monitoring and training is completed. As part of monitoring responsibilities, the **Sponsor** shall personally engage in one or more of the following (to the extent applicable) on a regular basis such that the **Sponsor's** certifications are made on the basis of first-hand knowledge: visits to the **Lobbyist's** place of business, inspection of its code of conduct and/or related policies, communications and interviews of its management and staff, accompanying its staff on calls to **Third Parties**, or speaking with **Third Parties** having interactions with the **Lobbyist**. [Exhibit 3](#) sets forth the minimum monitoring and training requirements for **Lobbyists** and **Sponsors**.

H. RENEWAL APPROVAL

Approvals for **Lobbyists** shall be renewed at a maximum of 2-year intervals. **Operating Unit** legal counsel may grant a one-time three month extension provided that the **Operating Unit** has made a determination that business justification and performance warrants renewal, renewal approval is in process, and due diligence has not revealed any material adverse findings. Before initiating the renewal process for any existing **Lobbyist**, the requesting **Operating Unit** shall conduct a business justification and performance assessment and terminate pursuant to Section I the engagements of those **Lobbyists** that are deemed no longer justified. The nature and level of required due diligence and approvals for renewal for which the requesting **Operating Unit** determines business justification remains shall reflect the risk presented by the **Lobbyists** and the materiality of changes (if any) to the **Lobbyist**, proposed scope of work, or **Lobbyist Agreement**. [Exhibits 3](#) and [5](#) set forth minimum due diligence requirements and required approvals for renewal of existing **Lobbyists**, respectively. **Lobbyists** approved for renewal shall be retained in accordance with Section D.

I. TERMINATION

If, at any time during the application process or the term of representation, the requesting **Operating Unit** legal counsel/designee reasonably believes that a **Candidate** or **Lobbyist** has not fully cooperated or will not fully cooperate in due diligence or monitoring, or has not fully complied or will not fully comply with the **Lobbyist Agreement**, **UTC** policy or applicable law, he or she shall notify in writing the **VP GEC**/designee who shall ensure that appropriate corrective actions are taken.⁶ If any **Lobbyist** is terminated or not renewed for reasons related to compliance, the **Operating Unit** shall provide prompt notice to **VP GEC**.

⁶ Although matters of non-cooperation and non-compliance must be assessed on a case-by-case basis, reasons warranting termination of a candidacy or **Lobbyist** include, without limitation, the **Candidate's** or **Lobbyist's**: (a) failure or refusal to complete or furnish documents or certifications required by this Policy, **BU** implementing policies, or the **Lobbyist Agreement**; (b) providing false or inaccurate information; (c) failure or refusal to cooperate with due diligence activities, including participating in required interviews or cooperating with an independent investigation company; (d) being a denied or restricted party on any **Government**-issued watch list; (e) irreconcilable conflict of interests with a **UTC** employee or any inappropriate, prohibited, or un-explained relationship with a competitor, **Customer**, **Government**, **Government Official**, or other decision-maker or influencer in any affairs in which the **Candidate** or **Lobbyist** will

J. ACQUISITION INTEGRATION

Upon acquisition of any company that has relationships or agreements with one or more **Third Parties** that in practice or in name meet the definition of a **Lobbyist**, the acquiring **BU** shall obtain the names of and agreements with such **Third Parties**. As soon as reasonably practicable and, absent an extension from **VP GEC/designee**, the acquiring **BU** shall ensure that all such **Third Parties** are registered for on-line training no later than six months following the closing of the acquisition and are selected, screened, approved, retained, monitored, trained, compensated, and paid in accordance with the terms of this Policy no later than 12 months follow the closing, or that such non-conforming agreements are terminated. **VP GEC/designee** may extend the aforementioned periods if the **BU** demonstrates to the satisfaction of **VP GEC/designee** that the acquired company had policies and procedures and agreements substantially equivalent to **UTC's** and the **Lobbyist Agreement**.

K. REPORTING

1. **Sponsors** shall be primarily responsible and accountable for ensuring that **Lobbyists** comply with applicable U.S. (federal and state/local) and non-U.S. **Government** registration, disclosure, and reporting obligations relating to their representation of **UTC** (see [CPM 5: Government Relations](#), Exhibit 2, Section C3).
2. In addition to the annual **Lobbying** reports required by [CPM 5: Government Relations](#) (see Exhibit 2, Section C4), **GGR** and **BUs** will report on an annual basis to the **UTC** Risk and Compliance Council (see [CPM 34: Global Ethics and Compliance Program](#)) the following: (a) basic **Lobbyist** data (e.g., number, type, location, **Operating Unit** affiliation, compensation); (b) monitoring and training program and plans (both on-line and in person); (c) utilization strategy for **Lobbyists**; (d) material issues in management and administration of this Policy; and (e) such other matters as the Council may request.

L. TRANSITION REVIEW

Within three months of the date of any substantive revision to this Policy, each **BU** shall present to **VP GEC** for approval a comprehensive plan to bring into full compliance with this Policy any existing **Lobbyists** that may not be fully compliant as of the date of the revision. The presentation shall include an expedited plan for **Lobbyists** presenting increased risk. In all other cases involving pre-existing **Lobbyists**, **BUs** are responsible to assure compliance with all requirements of this Policy.

represent **UTC**; (f) retention will confer upon **UTC** an **Unfair Competitive Advantage**; (g) being requested by a **Customer**, **Government**, or **Government Official** for a particular representation; (h) objection to **UTC** disclosing **Lobbyist's** status as **UTC's** authorized representative to any **Customer**, **Government**, or **Government Official**; (i) allegations (including investigations) or record of corrupt or anti-competitive practices; (j) individual or corporate criminal conviction, bankruptcy, or insolvency; (k) reputation for dishonesty or unfair or unethical dealings; (l) becoming persona non-grata in any jurisdiction; (m) failure or refusal to execute a **Lobbyist Agreement**; (n) refusal to allow reasonable monitoring and audit activities, repeated failure to furnish required reports or attend required training or failure to fully cooperate with any internal or external investigation arising from allegations of potential wrongdoing involving the **Lobbyist**; or (o) breach of the **Lobbyist Agreement**.

EXHIBIT 3: DUE DILIGENCE, MONITORING, AND TRAINING

The following table sets forth the required due diligence, monitoring, and training requirements during the on-boarding (“A”), in-term (“B”), and renewal phases (“C”).

C	17	On-boarding due diligence 1-10 if Material Change
	16	On-boarding due diligence 2-5, 9, 10 if no Material Change
B	15	Annual Internet Search
	14	Annual Sponsor certification
	13	Annual Lobbyist certification
	12	Annual Lobbyist on-line training
	11	Monthly Lobbyist invoices
A	10	Operating Unit legal counsel certification
	9	Sponsor certification
	8	Independent investigation company report
	7	Candidate interview
	6	Sponsor business justification statement
	5	Internet search
	4	Former UTC employee check
	3	MK denial search
	2	Candidate certification
	1	Candidate questionnaire

Notes:

- Candidate** completed/executed questionnaire detailing **Candidate’s**: (a) basic corporate/personal information; (b) ownership; (c) **Affiliates**; (d) key personnel; (e) principals or key personnel formerly employed by **UTC**; (f) authorizations/good standing/solvency; (g) relationship with **UTC/Governments/Government Officials/Customers**; (h) other relationships/affiliations (e.g., **UTC** competitors, trade associations); (i) ethics/compliance program and behavior; and (j) references.. If **Candidate** is **Individual Service Vendor** and a current or former **U.S. Federal Government Employee**, or a current or former U.S. state/local or non-U.S. **Government Official** confirmed or believed to be subject to revolving-door or similar restrictions, **Candidate** shall also complete/execute a “revolving-door” questionnaire pursuant to [CPM 48C: Hiring and Retaining Current and Former Government Officials and their Relatives](#);
- Candidate** completed/executed certification to accuracy of **Candidate** questionnaire and understanding of [UTC Supplier Code of Conduct](#), applicable **UTC** policies and laws, ability/willingness to comply therewith, etc. *May be incorporated as part of Candidate Questionnaire*;
- Search of MK Denial by requesting **Operating Unit** legal counsel/designee(s). *Confirm Candidate, known Affiliates, and its principals/key personnel are not denied or restricted parties on Government-issued watch lists*;
- Check by **Operating Unit** legal counsel/designee(s) on candidate principals or key personnel identified in **Candidate** Questionnaire or otherwise as former **UTC** employees. *Confirm no history in case management system or employment file of misconduct and/or violation of company policies during tenure with UTC*;
- Google or equivalent search (CLEAR or equivalent search for renewal if no **Material Change**) by **Operating Unit** legal counsel/designee(s) of **Candidate**, known **Affiliates**, and its principals/key personnel. *Confirm no materially adverse information about Candidate/principals*;
- Justification written/executed by **Sponsor** for use of **Candidate** and proposed compensation, including description of **Operating Unit**, selection process/criteria, scope of work/performance criteria, reasons supporting **Candidate**, structure of compensation (including estimated aggregate and per-transaction/lifetime caps. *May be incorporated in Application Memorandum (see Exhibit 5)*;
- Interview by requesting **Operating Unit** legal counsel/designee(s) of **Candidate’s** principals. *Confirm Candidate’s credentials and qualifications and assess accuracy of Candidate questionnaire, Candidate authorizations/operating documents, and Candidate certification*;
- Investigation and report by reputable independent investigation company (approved by **CVP GEC**/designee(s)) covering the following: (a) verification of credentials (basic corporate/personal information, ownership; **Affiliates**; key personnel, authorizations/good standing/solvency); (b) database/media searches (including **Government** issued watch-lists); and (c) assessment of qualifications/reputation through inquiries of **Customers**, industry peers, regulatory officials, other independent sources, and **Candidate’s** staff;
- Sponsor** completed/executed certification to accuracy of business justification/compensation statement, review of [UTC Supplier Code of Conduct](#) and applicable **UTC** policies with **Candidate**, review of **Due Diligence File**, not aware of facts or circumstances suggesting **Candidate** unable/unwilling to comply with [UTC Supplier Code of Conduct](#), **UTC** policies/applicable law. *May be incorporated in Application Memorandum (see Exhibit 5)*;
- Requesting **Operating Unit** legal counsel/designee(s) completed/executed certification to review of **Due Diligence File**, not aware of facts of circumstances suggesting **Candidate** unable/unwilling to comply with [UTC Supplier Code of Conduct](#) and **UTC** policies/applicable law. *May be incorporated in Application Memorandum (see Exhibit 5)*;
- Lobbyist** invoice satisfying requirement of Section F of [Exhibit 2](#) of this Policy, with detailed summary of activities undertaken by **Lobbyist** in preceding month;
- Lobbyist’s** completion of required annual on-line training curriculum specified by **GGR** and/or requesting **Operating Unit**;
- Lobbyist’s** completed/executed certification to continued accuracy of **Candidate** questionnaire and **Lobbyist Agreement** representations and warranties (i.e., no **Material Change**) and compliance with [UTC Supplier Code of Conduct](#), **UTC** policies, applicable law, and **Lobbyist Agreement** covenants;
- Same as item 13, but **Sponsor** completed/executed;
- Same as item 5.

EXHIBIT 4: APPLICATION MEMORANDUM

DATE: []
TO: [UTC Senior Vice President, Global Government Relations
 UTC Corporate Vice President, Global Ethics and Compliance]
FROM: [**Sponsor**] (“Sponsor”)
 [requesting **Operating Unit** legal counsel] (“Operating Unit Legal Counsel”)
RE: ACTION — Proposed Lobbyist Agreement with [Candidate Full Name]

Approval Requested

- Summary
 [Operating Unit] requests your approval pursuant to CPM 48D for [Candidate Full Name] (“Candidate”) to represent [Operating Unit] as a **lobbyist** for the purpose of [brief description of services to be performed].
- Proposed Agreement
 [Operating Unit] requests approval for [UTC contracting entity] to enter into a Lobbyist Agreement with Candidate, having the following principal business terms and conditions:

Key Provisions	
Services	[brief description of services to be performed]
Compensation	[Summarize structure and amounts, and indicate whether Expenses will be reimbursed]
Maximum Compensation	[Maximum compensation that the Candidate may earn during the term]
Term	[e.g. “x years from the date of execution of an approved Lobbyist Agreement”]
Non-Standard Terms	[Describe all Non-Standard Terms]

- Approvals
 [Describe all **Operating Unit** approvals required/obtained]

Business Justification

- Requirement for Lobbyist
 [Explain in detail why it is necessary or advantageous to utilize a new **Lobbyist** rather than or in addition to **UTC** employees or existing **Lobbyists** in the jurisdiction or segment, and how this relates to the specific qualifications required of any **Candidate**, as well as the statement of work, performance standards and reporting provisions in the proposed **Lobbyist Agreement**]
- Identification and Selection of Candidate
 [Describe the degree of market research conducted to identify potential candidates. Identify all candidates considered, and indicate whether each was considered qualified to meet **UTC’s** needs, and if not, why not. Provide detailed description of **Candidate**, including principals, ownership structure, full range of activities, employees, physical locations, revenues and similar business information, and how **Candidate** will provide the proposed services, including identification on key employees. Explain why the **Candidate** was selected on the basis of objective criteria including best ability to fulfill the identified performance requirements and cost.]

Reasonableness of Proposed Compensation

[Provide overview of proposed compensation (include all elements including base and **Expenses**) and payment terms. Explain in detail why the proposed structure and level of compensation is reasonable in relation to specific value to be provided and business risk assumed by the **Candidate**, and minimizes the risk of corruption insofar as is possible.]

Due Diligence

[Describe all due diligence conducted] [If **Candidate** is an **Individual Service Vendor** and a current or former **Government Official** (including a **U.S. Federal Government Employee**) or a **Related Party** to a current **Government Official** (including a **U.S. Federal Government Employee**), or is **Controlled** by any such person, so indicate and describe additional screening undertaken to ensure compliance with [CPM 48C: Hiring and Retaining Current and Former Government Officials and their Relatives](#)].

Lobbyist Agreement

Except as disclosed above, Candidate has accepted a Lobbyist Agreement (“Agreement”) suitably tailored to the nature of the jurisdiction and services to be provided, including all provisions prescribed in Exhibit 6 of the CPM 48D. Candidate has been advised of UTC’s determination to have its Lobbyists adhere to the requirements of CPM 48: Anti-Corruption, the Lobbyist Agreement, and applicable law, and that UTC will take all appropriate legal action if any of them should be violated, including termination of the Lobbyist Agreement. Candidate has also been advised that any agreement is contingent upon receipt of all required approvals and signature by all parties of the final Agreement; no payments will accrue to the Lobbyist or be paid under the Lobbyist Agreement in advance of all approvals and final signatures; and no payments will be made except as provided by the written Agreement. [Explain and justify in detail any **Non-Standard Terms** or other deviations from the foregoing]

Monitoring and Training

[Describe all monitoring to be undertaken by the requesting **Operating Unit** responsible parties (including the **Sponsor**) and required training to be provided to the **Candidate**]

CERTIFICATION

By submitting this Application Memorandum, the undersigned Sponsor and Operating Unit Legal Counsel each hereby certify that he/she knows of no fact or circumstance suggesting that the proposed appointment would violate or contravene Sections 48 or applicable law, and Sponsor acknowledges his/her primary responsibility and accountability for monitoring and training Candidate to ensure that Candidate strictly complies with the letter and spirit of UTC Policy Sections 48 and 48D.

EXHIBIT 5: APPROVALS
Table 1: Required Approvals

On-Boarding		<ul style="list-style-type: none"> • SVP GGR • CVP GEC
Renewal	No Material Change No Qualifying Compensation	<ul style="list-style-type: none"> • SVP GGR / designee • CVP GEC / designee
	Material Change or Qualifying Compensation	<ul style="list-style-type: none"> • SVP GGR • CVP GEC

For the purposes of Table-1:

Qualifying Compensation means compensation (excluding **Expenses**) in excess of USD15K/month or USD180K/year.

EXHIBIT 6: LOBBYIST AGREEMENT (“LA”)

#	SECTION	GENERAL TOPIC	DETAIL
1	General Commercial	Statement of Work / Jurisdiction	Statement of work and jurisdiction sufficiently detailed to provide measurable/auditable framework for effective monitoring and performance assessment
2		Compensation	<ul style="list-style-type: none"> • All: aggregate maximums and by compensation type (monthly/annual/agreement maximums, as applicable) • Expenses: detailed description reimbursable/non-reimbursable • Retainer: monthly amount
3		Payment	<ul style="list-style-type: none"> • Description of methodology/timing of payment of fees (including milestones if applicable) and invoice requirements set forth in Section F of Exhibit 2 of this Policy • Solely by wire (unless exception granted) to bank account in sales territory registered in Lobbyist’s name
4	Covenants	Business Ethics / Compliance	<p>Lobbyist unconditionally agrees to:</p> <ul style="list-style-type: none"> • Comply at all times with: (a) applicable law, including laws prohibiting collusion, conflicts of interests, corruption, and unfair competition; and (b) the UTC Supplier Code of Conduct; • Refrain (directly or indirectly) at all times from offering, promising, attempting to provide, or providing: <ul style="list-style-type: none"> ○ any Corrupt Payment; or ○ any UTC employee, Customer, or Government Official, any ownership, financial, or other interest (e.g., governance position, employment, consulting, contracting) in Lobbyist; • Refrain from becoming during the term of LA a Government Official or an agent of any Government Official; • Promptly and accurately record in its Books and Records all transactions and Expenses related to its representation of UTC; and • Comply with all applicable registration and reporting requirements relating to its work for UTC.
5		Training	Lobbyist agrees to complete all mandatory on-line training and attend all in-person training upon reasonable request of UTC .
6		Audit	<p>Lobbyist agrees to provide upon reasonable notice UTC or an authorized representative of UTC with sufficient access to its operating sites, personnel, and Books and Records (inspection and reproduction) for UTC to assess and verify Lobbyist’s:</p> <ul style="list-style-type: none"> • accounting and business practices relating to UTC business and UTC-related transactions; • compliance with LA, Section 48, and applicable laws
7		Document Retention	Lobbyist shall retain and preserve all Books and Records within the scope of UTC’s audit rights for the later of 3 years after final payment under the LA or a longer period required by law. In addition, if the LA is completely or partially terminated for any reason, Lobbyist shall retain and preserve all Books and Records relating to the work terminated for 3 years after any resulting final termination settlement, and records relating to claims, disputes, or litigation or the settlement of claims arising under or relating to the LA shall be made available until such appeals, litigation, or claims are finally resolved.
8		General Cooperation	Lobbyist agrees to provide and execute: (a) annual certifications of compliance with LA ; and (b) such other documents and instruments as required by law or for performance of LA .
9	Reps & Warranties		<p>Lobbyist expressly acknowledges, represents, and warrants as of date of LA and on continuing basis that, except as set forth in the Disclosure Schedule or as promptly notified to UTC in writing:</p> <ul style="list-style-type: none"> • Questionnaire and certifications are incorporated as part of GIA and accurate in all respects; • Owners of record do not hold their interests in Lobbyist in trust or for the benefit of others; • Neither Lobbyist nor any of its officers or employees is a Government Official or agent of any Government Official; • No UTC employee, Customer, Government, or Government Official holds an ownership, financial, or other interest in Lobbyist or otherwise stands to personally benefit from Lobbyist’s representation of UTC; • LA and work performed does not and will not violate or contravene applicable law, including any restrictions (e.g., “revolving door”) on Lobbyist’s employees arising from their former employment with any Government; • Lobbyist holds all permits, licenses, and authorizations and has made all registrations and reports necessary to conduct business and represent UTC; • Has read and understands UTC Supplier Code of Conduct; • Compensation payable under LA is solely for services rendered by Lobbyist to UTC and shall be used by Lobbyist solely for legitimate and lawful business purposes; • Lobbyist has not offered, promised, made or provided, or attempted to make or provide any Corrupt Payment or any UTC employee, Customer, or Government Official with any ownership, financial, or other interest (e.g., governance position, employment, consulting, contracting) in Lobbyist; • UTC will rely upon the foregoing representations and warranties in filing reports and tax returns in the United States and other countries; • Lobbyist agrees to promptly notify UTC in writing if the Questionnaire, any certifications furnished to UTC, or any of the foregoing representations and warranties are no longer valid or accurate in any manner.
10	Term		Express finite term [maximum 2 years], with automatic expiration unless mutual written extension
11	Termination / Suspension		<ul style="list-style-type: none"> • Termination for convenience upon reasonable advance notice not exceeding 90 days (or other minimum notice period required by applicable law); • Unilateral termination by UTC if: <ul style="list-style-type: none"> ○ Lobbyist or any of its directors, officers, or employees becomes for any reason persona non-grata in jurisdiction or to any Government, Government Official, or Customer or is accused of wrongdoing or is debarred or suspending by a Government or Government Official; ○ Lobbyist has breached the LA including, without limitation, Lobbyist’s failure or refusal to cooperate with any UTC audit or investigation; ○ UTC has reason to believe that Lobbyist’s representations or warranties, the Questionnaire, or any certificate are no longer valid, or inaccurate without prompt written notice and correction by Lobbyist ○ UTC in its sole discretion determines that Lobbyist’s conduct or LA violates or contravenes US law or other

			<p>applicable law;</p> <ul style="list-style-type: none"> o Lobbyist becomes insolvent, bankrupt, or enters receivership; o Ownership of Lobbyist changes in manner which UTC reasonably determines has either (a) material adverse effect on LA; or (b) creates a conflict of interest for the Lobbyist or any UTC employee; <ul style="list-style-type: none"> • UTC may suspend and terminate payment of compensation due and owing in event of termination due to Lobbyist's breach of covenants, representations, or warranties and right to recover compensation already paid if covenants, representations, or warranties breached related to such compensation; • UTC may offset against any compensation due and owing under LA any costs and damages incurred by UTC related to any investigation of Lobbyist's alleged violation of LA or applicable law.
12	Miscellaneous	Status / No Agency	Lobbyist is independent contractor. LA does not create agent-principal relationship.
13		Assignment/ Sub-contracting	Lobbyist shall not assign LA , or use any non-employee or other Entity to represent UTC , without prior written consent of UTC legal counsel, which consent UTC may withhold in its sole discretion.

*Item 14 mandatory for **Lobbyists** representing **UTC** in connection with U.S. federal **Government** contract or subcontract*

14	U.S. Federal Government Contracts		Compliance with laws and regulations applicable to U.S. federal Government contracts and CPM 4: Business Ethics and Conduct in Contracting with the United States Government (including UTC Compliance Plan for Combating Trafficking in Persons – see Exhibit 3 of CPM 4). UTC right of unilateral termination for cause for Vendor's failure to comply.
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