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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant to Section 13 OR 15(d) of The**  
**Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 9, 2008**

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**UNITED TECHNOLOGIES CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-812**  
(Commission File Number)

**06-0570975**  
(I.R.S. Employer  
Identification No.)

**One Financial Plaza**  
**Hartford, Connecticut 06103**  
(Address of principal executive offices, including zip code)

**Registrant's telephone number, including area code**  
**(860) 728-7000**

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Section 1—Registrant’s Business and Operations.**

### **Item 1.01. Entry into a Material Definitive Agreement.**

On April 9, 2008, United Technologies Corporation (“UTC”) held its 2008 Annual Meeting of Shareowners. Shareowners submitting votes for the meeting approved the adoption of an amendment to the United Technologies Corporation 2005 Long-Term Incentive Plan (the “Plan”). The amendment authorizes an additional 33 million shares of Common Stock to be issued under the Plan, extends the term of the Plan until April 30, 2014, and imposes certain additional obligations on award recipients. The amendment became effective on April 9, 2008, upon its approval by shareowners. A summary description of the Plan, as amended, is set forth on pages 30 through 34 of UTC’s Proxy Statement dated February 22, 2008 (the “2008 Proxy Statement”), which description is incorporated by reference herein. Such description is qualified in its entirety by reference to the complete terms and conditions of the Plan, a copy of which is included herewith as Exhibit 10.1 to this Report and incorporated herein by reference.

## **Section 5—Corporate Governance and Management.**

### **Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(b) On April 9, 2008, UTC announced that effective as of that date, Louis R. Chênevert was elected Chief Executive Officer (“CEO”). George David, who has served as UTC’s CEO since 1994, has agreed to continue as Chairman of the Board of Directors (“Chairman”), a position he has held since 1997. The Board expects that Mr. David will devote his attention to major strategic and policy issues affecting UTC as well as continuing to support Mr. Chênevert as he assumes the role of CEO. A copy of the press release announcing the election of Mr. Chênevert is attached as Exhibit 99.1 to this Report and incorporated herein by reference.

(c) Mr. Chênevert joined UTC in 1993. He served as President, Pratt & Whitney from 1999 until elected President and Chief Operating Officer of UTC on March 8, 2006. He is 50 years old. Upon his election to CEO, the Board of Directors Committee on Compensation and Executive Development (the “Committee”) increased Mr. Chênevert’s base salary from \$1.1 million to \$1.4 million, increased his annual bonus target from 100% to 135% of base salary (consistent with the established target for the CEO position) and awarded Mr. Chênevert a one-time grant of 360,000 stock appreciation rights (“SARs”) under the Plan. These SARs have a 10-year term, vesting 50% after year three and 50% after year four and, consistent with retention objectives, provide no vesting acceleration for early retirement. The Committee’s leadership transition and retention strategy also included awards of 120,000, 120,000, 90,000, and 90,000 SARs with the same terms and conditions to Messrs. Ari Bousbib, President, Otis Elevator, Geraud Darnis, President, Carrier Corporation, James Geisler, Vice President, Finance, and Gregory Hayes, Vice President, Accounting and Finance, respectively. Mr. Chênevert will continue to participate in the employee benefit and executive compensation programs in which he currently participates. The Compensation Discussion and Analysis (“CD&A”) in UTC’s 2008 Proxy Statement, which is available at <http://www.utc.com/investors/proxy>, provides detailed information about UTC’s executive compensation programs.

(d) On April 9, 2008, Frank P. Popoff and H.A. Wagner retired from the Board of Directors after reaching the Board’s mandatory retirement age. Richard D. McCormick will serve as lead director, succeeding Mr. Wagner, who previously served as presiding director.

(e) The Committee took certain compensation actions related to Mr. David’s change in status, reducing his base salary from \$1.9 million to \$1.0 million and baseline annual bonus target from 135% to 100% of base salary. These adjustments are consistent

with the change in his role, which no longer includes responsibility for the day-to-day management of UTC. Mr. David will continue to participate in the employee benefit and executive compensation programs in which he currently participates, as described in the CD&A. As Chairman, Mr. David's employment with UTC will not terminate, resulting in continued deferral of pension and other post-retirement benefits. Detailed information about Mr. David's retirement benefits can be found in UTC's 2008 Proxy Statement, which is available at <http://www.utc.com/investors/proxy>. Deferral of these benefits beyond normal retirement age (i.e., 65) at his reduced salary could result in the inadvertent diminution of the value of such retirement benefits upon his subsequent actual retirement. To protect the value of post-retirement benefits earned by Mr. David over the course of his career, the Committee has provided that, upon his actual retirement, the amount he will receive from the UTC Employee Retirement Plan, the UTC Pension Preservation Plan, the ELG Separation Arrangement and the Executive Estate Preservation Program will not be less than the amounts determined as of April 9, 2008, calculated on the basis of his base salary then in effect (i.e., prior to the reduction described above) and his age on that date, and credited with interest until the actual date of distribution at the rate of interest credited under the UTC Deferred Compensation Plan (i.e., the yield on a 10-year Treasury, plus 1%).

**Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year Amendment to Bylaws.**

(a) Effective as of April 9, 2008, the Board of Directors of UTC approved amendments to Sections 1.2, 2.5, 3.1, 3.5 and 4.3 of UTC's Bylaws to reflect the separation in the roles of the Chairman and the CEO upon the election of Louis R. Chênevert as CEO, as described in Item 5.02 of this Report. Previously, these sections reflected the combined role of the Chairman and the CEO. Section 2.3 of the Bylaws was also amended to permit organization meetings of the Board more frequently than annually, if necessary. A copy of UTC's Bylaws as amended and restated effective April 9, 2008, is attached as Exhibit 3(ii) to this Report and incorporated herein by reference.

**Section 9—Financial Statements and Exhibits.**

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

The following Exhibits are included herewith:

<b>Exhibit Number</b>	<b>Exhibit Description</b>
3(ii)	Bylaws of United Technologies Corporation, as restated and amended effective April 9, 2008.
10.1	United Technologies Corporation 2005 Long-Term Incentive Plan, as amended and restated effective April 9, 2008.
99.1	Press Release, dated April 9, 2008, issued by United Technologies Corporation.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**UNITED TECHNOLOGIES CORPORATION**  
**(Registrant)**

Date: April 11, 2008

By: /s/ CHARLES D. GILL

Charles D. Gill

Senior Vice President and General Counsel

## EXHIBIT INDEX

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BYLAWS  
OF  
UNITED TECHNOLOGIES CORPORATION  
AS RESTATED AND AMENDED EFFECTIVE APRIL 9, 2008

SECTION 1—Meetings of Shareholders

SECTION 1.1 *Annual Meetings.*

Annual meetings of shareholders shall be held on or prior to April 30 in each year for the purpose of electing directors and transacting such other proper business as may come before the meeting.

SECTION 1.2 *Special Meetings.*

Special meetings of shareholders may be called from time to time by the Board of Directors, by the Chairman, or by the chief executive officer of the Corporation. Special meetings shall be held solely for the purpose or purposes specified in the notice of meeting.

SECTION 1.3 *Time and Place of Meetings.*

Subject to the provisions of Section 1.1, each meeting of shareholders shall be held on such date, at such hour and at such place as fixed by the Board of Directors or in the notice of the meeting or, in the case of an adjourned meeting, as announced at the meeting at which the adjournment is taken.

SECTION 1.4 *Notice of Meetings.*

A notice of each meeting of shareholders, stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given personally, by mail or by electronic transmission as set forth below to each shareholder entitled to vote at the meeting. Unless otherwise provided by statute, the notice shall be given not less than 10 nor more than 60 days before the date of the meeting and, if mailed, shall be deposited in the United States mail, postage prepaid, directed to the shareholder at his address as it appears on the records of the Corporation. No notice need be given to any person with whom communication is unlawful, nor shall there be any duty to apply for any permit or license to give notice to any such person. If the time and place of an adjourned meeting of shareholders are announced at the meeting at which the adjournment is taken, no notice need be given of the adjourned meeting unless that adjournment is for more than 30 days or unless, after the adjournment, a new record date is fixed for the adjourned meeting. Without limiting the manner by which notice otherwise may be given effectively to shareholders, any notice to shareholders under the certificate of incorporation and these Bylaws may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law.

SECTION 1.5 *Waiver of Notice.*

Anything herein to the contrary notwithstanding, notice of any meeting of shareholders need not be given to any shareholder who in person or by proxy shall have waived in writing notice of the meeting, either before or after such meeting, or who shall attend the meeting in person or by proxy, unless he attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 1.6 *Quorum and Manner of Acting.*

Subject to the provisions of these Bylaws, the certificate of incorporation and statute as to the vote that is required for a specified action, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Corporation entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business, and the vote in person or by proxy of the holders of a majority of the shares constituting such quorum shall be binding on all shareholders of the Corporation. A majority of the shares present in person or by proxy and entitled to vote may, regardless of whether or not they constitute a quorum, adjourn the meeting to another time and place. Any business which might have been transacted at the original meeting may be transacted at any adjourned meeting at which a quorum is present.

SECTION 1.7 *Voting.*

Shareholders shall be entitled to cumulative voting at all elections of directors to the extent provided in or pursuant to the certificate of incorporation. A shareholder may authorize another person or persons to vote for him as proxy by: (a) executing a writing authorizing such other person or persons to act for him as proxy, where execution of the writing is accomplished by the shareholder or his authorized officer, director, employee or agent signing such writing or causing his signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature; or (b) transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, *provided*, that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the shareholder. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

SECTION 1.8 *Judges.*

The votes at each meeting of shareholders shall be supervised by not less than two judges who shall decide all questions respecting the qualification of voters, the validity of the proxies and the acceptance or rejection of votes. The judges shall be appointed by the Board of Directors but if, for any reason, there are less than two judges present and acting at any meeting, the chairman of the meeting shall appoint an additional judge or judges so that there shall always be at least two judges to act at the meeting.

SECTION 1.9 *List of Shareholders.*

A complete list of the shareholders entitled to vote at each meeting of shareholders, arranged in alphabetical order, and showing the address and number of shares registered in the name of each shareholder, shall be prepared and made available for examination during regular business hours by any shareholder for any purpose germane to the meeting. The list shall be available for such examination at the principal place of business of the Corporation for a period of not less than 10 days prior to the meeting and during the whole time of the meeting.

SECTION 1.10 *Notice of Shareholder Business and Nominations.*

*(A) Annual Meetings of Shareholders.*

- (1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any shareholder of the Corporation who was a shareholder of record at the time of giving of notice provided for in this Section 1.10, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 1.10.
- (2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of paragraph (A)(1) of this Section 1.10, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must be a proper matter for shareholder action. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90<sup>th</sup> day nor earlier than the close of business on the 120<sup>th</sup> day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of such shareholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such shareholder and such beneficial owner.
- (3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 1.10 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made



by the Corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this Section 1.10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

*(B) Special Meetings of Shareholders.*

Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) by any shareholder of the Corporation who is a shareholder of record at the time of giving of notice provided for in this Section 1.10, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.10. In the event the Corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board of Directors, any such shareholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the shareholder's notice required by paragraph (A)(2) of this Section 1.10 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120<sup>th</sup> day prior to such special meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a shareholder's notice as described above.

*(C) General.*

- (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.10 shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.10. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.10 and, if any proposed nomination or business is not in compliance with this Section 1.10, to declare that such defective proposal or nomination shall be disregarded.
- (2) For purposes of this Section 1.10, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.
- (3) Notwithstanding the foregoing provisions of this Section 1.10, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.10. Nothing in this Section 1.10 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

## SECTION 1.11

### *(A) Consents to Corporate Action.*

Any action which is required to be or may be taken at any annual or special meeting of shareholders of the Corporation, subject to the provisions of Subsections (B) and (C) of this Section 1.11, may be taken without a meeting, without prior notice and without a vote if consents in writing, setting forth the action so taken, shall have been signed by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or to take such action at a meeting at which all shares entitled to vote thereon were present and voted; *provided, however*, that prompt notice of the taking of the corporate action without a meeting and by less than unanimous written consent shall be given to those shareholders who have not consented in writing.

### *(B) Determination of Record Date of Action by Written Consent.*

The record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be fixed by the Board of Directors of the Corporation. Any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent without a meeting shall, by written notice to the Secretary, request the Board of Directors to fix a record date. Upon receipt of such a request, the Secretary shall place such request before the Board of Directors at its next regularly scheduled meeting, *provided, however*, that if the shareholder represents in such request that he intends, and is prepared, to commence a consent solicitation as soon as is permitted by the Exchange Act and the regulations thereunder and other applicable law, the Secretary shall as promptly as practicable, call a special meeting of the Board of Directors, which meeting shall be held as promptly as practicable. At such regular or special meeting, the Board of Directors shall fix a record date as provided in Section 213 (or its successor provision) of the Delaware General Corporation Law. Should the Board fail to fix a record date as provided in this Subsection (B), then the record date shall be the day on which the first written consent is expressed.

### *(C) Procedures for Written Consent.*

In the event of the delivery to the Corporation of a written consent or consents purporting to represent the requisite voting power to authorize or take corporate action and/or related revocations, the Secretary shall provide for the safekeeping of such consents and revocations and shall, as promptly as practicable, engage nationally recognized independent judges of election for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. No action by written consent and without a meeting shall be effective until such judges have completed their review, determined that the requisite number of valid and unrevoked consents has been obtained to authorize or take the action specified in the consents, and certified such determination for entry in the records of the Corporation kept for the purpose of recording the proceedings of meetings of shareholders.

SECTION 2—Board of Directors

SECTION 2.1 *Number and Term of Office.*

The number of directors shall be not less than 10 nor more than 19. The exact number, within those limits, shall be fixed from time to time by the Board of Directors. Each director shall hold office until a successor is elected and qualified or until his earlier death, resignation or removal.

SECTION 2.2 *Election.*

The directors shall be elected annually. Each director shall be elected by a majority of the votes cast with respect to that director at a meeting for the election of directors at which a quorum is present; *provided, however*, that if the number of nominees exceeds the number of directors to be elected, the nominees receiving the greatest number of votes shall be the directors.

SECTION 2.3 *Organization Meetings.*

As promptly as practicable after each annual meeting of shareholders, and more frequently if the Board of Directors determines, the Board of Directors shall hold an organization meeting for the purpose of organization and the transaction of other business.

SECTION 2.4 *Stated Meetings.*

The Board of Directors may provide for stated meetings of the Board.

SECTION 2.5 *Special Meetings.*

Special meetings of the Board of Directors may be called from time to time by any four directors, by the Chairman, by the chief executive officer, or by the chief operating officer of the Corporation in concert with two directors.

SECTION 2.6 *Business of Meetings.*

Except as otherwise expressly provided in these Bylaws, any and all business may be transacted at any meeting of the Board of Directors; *provided*, that if so stated in the notice of meeting, the business transacted at a special meeting shall be limited to the purpose or purposes specified in the notice.

SECTION 2.7 *Time and Place of Meetings.*

Subject to the provisions of Section 2.3, each meeting of the Board of Directors shall be held on such date, at such hour and in such place as fixed by the Board or in the notice or waivers of notice of the meeting or, in the case of an adjourned meeting, as announced at the meeting at which the adjournment is taken.

SECTION 2.8 *Notice of Meetings.*

No notice need be given of any organization or stated meeting of the Board of Directors for which the Board has fixed the date, hour and place. Notice of the date, hour and place of all other organization and stated meetings, and of all special meetings, shall be given to each director personally, by telephone or telegraph or by mail. If by mail, the notice shall be deposited in the United States mail, postage prepaid, directed to the director at his residence or usual place of business as the same appears on the books of the Corporation not later than four days before the meeting. If given by telegraph, the notice shall be directed to the director at his residence or usual place of business as the same appears on the books of the Corporation not later than at any time during the day before the meeting. If given personally or by telephone, the notice shall be given not later than the day before the meeting.

SECTION 2.9 *Waiver of Notice.*

Anything herein to the contrary notwithstanding, notice of any meeting of the Board of Directors need not be given to any director who shall have waived in writing notice of the meeting, either before or after the meeting, or who shall attend such meeting, unless he attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 2.10 *Attendance by Telephone or Other Means of Communication.*

Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear one another, and such participation shall constitute presence in person at the meeting.

SECTION 2.11 *Quorum and Manner of Acting.*

One-third of the total number of directors at the time provided for pursuant to Section 2.1 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors and, except as otherwise provided in these Bylaws, in the certificate of incorporation or by statute, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. A majority of the directors present at any meeting, regardless of whether or not they constitute a quorum, may adjourn the meeting to another time or place. Any business which might have been transacted at the original meeting may be transacted at any adjourned meeting at which a quorum is present.

SECTION 2.12 *Action Without a Meeting.*

Any action which could be taken at a meeting of the Board of Directors may be taken without a meeting if all of the directors consent to the action in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the Board. Such filings shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 2.13 *Compensation of Directors.*

Each director of the Corporation who is not a salaried officer or employee of the Corporation, or of a subsidiary of the Corporation, may receive compensation for serving as a director and for serving as a member of any Committee of the Board, and may also receive fees for attendance at any meetings of the Board or any Committee of the Board, and the Board may from time to time fix the amount and method of payment of such compensation and fees; *provided*, that no director of the Corporation shall receive any bonus or share in the earnings or profits of the Corporation or any subsidiary of the Corporation except pursuant to a plan approved by the shareholders at a meeting called for the purpose. The Board may also, by vote of a majority of disinterested directors, provide for and pay fair compensation to directors rendering services to the Corporation not ordinarily rendered by directors as such.

SECTION 2.14 *Resignation of Directors.*

Any director may resign at any time upon written notice to the Corporation. The resignation shall become effective at the time specified in the notice and, unless otherwise provided in the notice, acceptance of the resignation shall not be necessary to make it effective.

SECTION 2.15 *Removal of Directors.*

Any director may be removed, either for or without cause, at any time, by the affirmative vote of the holders of record of a majority of the outstanding shares of stock entitled to vote at a meeting of the shareholders called for the purpose, and the vacancy in the Board caused by any such removal may be filled by the shareholders at such meeting or at any subsequent meeting; *provided*, that no director elected by a class vote of less than all the outstanding shares of the Corporation may, so long as the right to such a class vote continues in effect, be removed pursuant to this Section 2.15, except for cause and by the affirmative vote of the holders of record of a majority of the outstanding shares of such class at a meeting called for the purpose, and the vacancy in the Board caused by the removal of any such director may, so long as the right to such class vote continues in effect, be filled by the holders of the outstanding shares of such class at such meeting or at any subsequent meeting; *provided, further*, that if less than all the directors then in office are to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the whole Board of Directors or, in the case of directors elected by a class vote, the right to which class vote is still then in effect, if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the class of directors of which he is a part.

SECTION 2.16 *Filling of Vacancies Not Caused by Removal.*

Vacancies and newly created directorships resulting from an increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director; *provided*, that if the vacancy to be filled would, at an election of the whole Board of Directors, be filled by a class vote of less than all of the outstanding shares of the Corporation, and if any of the directors remaining in office were elected by the same class, such majority vote of the directors shall be effective only if it is concurred in by a majority of the remaining directors elected by such class or by a sole remaining director elected by such class. If for any reason there shall be no directors in office, any officer, any shareholder or any executor, administrator, trustee or guardian of a shareholder, or other fiduciary with like responsibility for the person or estate of a shareholder, may call a special meeting of shareholders in accordance with the provisions of these Bylaws for the purpose of electing directors.

SECTION 3—Committees of the Board of Directors

SECTION 3.1 *Executive Committee.*

By resolution adopted by an affirmative vote of the majority of the whole Board of Directors, the Board may appoint an Executive Committee consisting of the directors who occupy the offices of the Chairman and the chief executive officer of the Corporation, *ex officio*, and two or more other directors and, if deemed desirable, one or more directors as alternate members who may replace any absentee or disqualified member at any meeting of the Executive Committee. If so appointed, the Executive Committee shall, when the Board is not in session, have all the power and authority of the Board in the management of the business and affairs of the Corporation not reserved to the Board by Section 3.3. The Executive Committee shall keep a record of its acts and proceedings and shall report the same from time to time to the Board of Directors.

**SECTION 3.2 *Other Committees.***

By resolution adopted by an affirmative vote of the majority of the whole Board of Directors, the Board may from time to time appoint such other Committees of the Board, consisting of one or more directors and, if deemed desirable, one or more directors who shall act as alternate members and who may replace any absentee or disqualified member at any meeting of the Committee, and may delegate to each such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation not reserved to the Board pursuant to Section 3.3. Each such Committee shall keep a record of its acts and proceedings.

**SECTION 3.3 *Powers Reserved to the Board.***

No Committee of the Board shall take any action to amend the certificate of incorporation or these Bylaws, adopt any agreement to merge or consolidate the Corporation, declare any dividend or recommend to the shareholders a sale, lease or exchange of all or substantially all of the assets and property of the Corporation, a dissolution of the Corporation or a revocation of a dissolution of the Corporation. No Committee of the Board shall take any action which is required in these Bylaws, in the certificate of incorporation or by statute to be taken by a vote of a specified proportion of the whole Board of Directors.

**SECTION 3.4 *Election of Committee Members; Vacancies.***

So far as practicable, members of the Committees of the Board and their alternates (if any) shall be appointed at each organization meeting of the Board of Directors and, unless sooner discharged by an affirmative vote of the majority of the whole Board, shall hold office until the next organization meeting of the Board and until their respective successors are appointed. In the absence or disqualification of any member of a Committee of the Board, the member or members (including alternates) present at any meeting of the Committee and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in place of any absent or disqualified member. Vacancies in Committees of the Board created by death, resignation or removal may be filled by an affirmative vote of a majority of the whole Board of Directors.

**SECTION 3.5 *Meetings.***

Each Committee of the Board may provide for stated meetings of such Committee. Special meetings of each Committee may be called by any two members of the Committee (or, if there is only one member, by that member in concert with the Chairman) or by the Chairman and the chief executive officer of the Corporation. The provisions of Section 2 regarding the business, time and place, notice and waivers of notice of meetings, attendance at meetings and action without a meeting shall apply to each Committee of the Board, except that the references in such provisions to the directors and the Board of Directors shall be deemed, respectively, to be references to the members of the Committee and to the Committee.

**SECTION 3.6 *Quorum and Manner of Acting.***

A majority of the members of any Committee of the Board shall constitute a quorum for the transaction of business at meetings of the Committee, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of the Committee. A majority of the members present at any meeting, regardless of whether or not they constitute a quorum, may adjourn the meeting to another time or place. Any business which might have been transacted at the original meeting may be transacted at any adjourned meeting at which a quorum is present.

## SECTION 4—Officers

### SECTION 4.1 *Election and Appointment.*

The elected officers of the Corporation shall consist of a Chairman, a President, one or more Vice Presidents, a Controller, a Treasurer, a Secretary and such other elected officers as shall from time to time be designated by the Board of Directors. The Board shall designate from among such elected officers a chief executive officer, a chief operating officer and a chief accounting officer of the Corporation, and may from time to time make, or provide for, other designations it deems appropriate. The Board may also appoint, or provide for the appointment of, such other officers and agents as may from time to time appear necessary or advisable in the conduct of the affairs of the Corporation. The same person may hold more than one office.

### SECTION 4.2 *Duties of the Chairman.*

The Chairman shall preside, when present, at each meeting of shareholders and at all meetings of the Board of Directors and the Executive Committee. He shall have general supervision of the affairs of the Corporation and over the chief executive officer in the discharge of his duties, and shall have such other powers and duties as may from time to time be committed to him by the Board of Directors.

### SECTION 4.3 *Duties of the Chief Executive Officer.*

Under the general supervision of the Chairman, the chief executive officer of the Corporation shall, in the absence of the Chairman, preside at all meetings of shareholders and, except to the extent otherwise provided in these Bylaws or by the Board, shall have general authority to execute any and all documents in the name of the Corporation and general and active supervision and control of all of the business and affairs of the Corporation. In the absence of the chief executive officer, his duties shall be performed and his powers may be exercised by the chief operating officer or by such other officer as shall be designated either by the chief executive officer in writing or (failing such designation) by the Executive Committee or Board of Directors.

### SECTION 4.4 *Duties of Other Officers.*

The other officers of the Corporation shall have such powers and duties not inconsistent with these Bylaws as may from time to time be conferred upon them in or pursuant to resolutions of the Board of Directors, and shall have such additional powers and duties not inconsistent with such resolutions as may from time to time be assigned to them by any competent superior officer. The Board shall assign to one or more of the officers of the Corporation the duty to record the proceedings of the meetings of the shareholders and the Board of Directors in a book to be kept for that purpose.

### SECTION 4.5 *Term of Office and Vacancy.*

So far as practicable, the elected officers shall be elected at each organization meeting of the Board, and shall hold office until the next organization meeting of the Board and until their respective successors are elected and qualified. If a vacancy shall occur in any elected office, the Board of Directors may elect a successor for the remainder of the term. Appointed officers shall hold office at the pleasure of the Board or of the officer or officers authorized by the Board to make such appointments. Any officer may resign by written notice to the Corporation.

SECTION 4.6 *Removal of Elected Officers.*

Elected officers may be removed at any time, either for or without cause, by the affirmative vote of a majority of the whole Board of Directors at a meeting called for that purpose.

SECTION 4.7 *Compensation of Elected Officers.*

The compensation of all elected officers of the Corporation shall be fixed from time to time by the Board of Directors; *provided*, that no elected officer of the Corporation shall receive any bonus or share in the earnings or profits of the Corporation or any subsidiary of the Corporation except pursuant to a plan approved by the shareholders at a meeting called for the purpose.

SECTION 5—Shares and Transfer of Shares

SECTION 5.1 *Certificates.*

The shares of the Corporation shall be represented by certificates or, if and to the extent the Board of Directors determines, shall be uncertificated shares. Notwithstanding any such determination by the Board of Directors, every shareholder shall be entitled to a certificate signed by the Chairman or the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, certifying the class and number of shares owned by him in the Corporation; *provided*, that, where such certificate is countersigned by a Transfer Agent or a Registrar, the signature of any such Chairman, President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be a facsimile. In case any officer or officers who shall have signed or whose facsimile signature or signatures shall have been used on any such certificate or certificates shall cease to be such officer or officers, whether because of death, resignation or otherwise, before such certificate or certificates shall have been issued by the Corporation, such certificate or certificates may be issued by the Corporation with the same effect as if he or they were such officer or officers at the date of issue.

SECTION 5.2 *Transfer Agents and Registrars.*

The Board of Directors may, in its discretion, appoint one or more responsible banks or trust companies in the City of New York and in such other city or cities (if any) as the Board may deem advisable, from time to time, to act as Transfer Agents and Registrars of shares of the Corporation; and, when such appointments shall have been made, no certificate for shares of the Corporation shall be valid until countersigned by one of such Transfer Agents and registered by one of such Registrars.

SECTION 5.3 *Transfers of Shares.*

Shares of the Corporation may be transferred upon authorization by the record holder thereof, or by an attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with a Transfer Agent and Registrar, and by the delivery of the certificates therefor, provided such shares are represented by certificates, accompanied either by an assignment in writing on the back of the certificates or by written power of attorney to sell, assign or transfer the same, signed by the record holder thereof, but no transfer shall affect the right of the Corporation to pay any dividend upon the shares to the holder of record thereof, or to treat the holder of record as the holder in fact thereof for all purposes; and no transfer shall be valid, except between the parties thereto, until such transfer shall have been made upon the books of the Corporation.



SECTION 5.4 *Lost Certificates.*

In case any certificate for shares of the Corporation shall be lost, stolen or destroyed, the Board of Directors, in its discretion, or any Transfer Agent thereunto duly authorized by the Board, may authorize the issuance of a substitute certificate in place of the certificate so lost, stolen or destroyed, and may cause such substitute certificate to be countersigned by the appropriate Transfer Agent (if any) and registered by the appropriate Registrar (if any); *provided*, that in each such case, the applicant for a substitute certificate shall furnish to the Corporation and to such of its Transfer Agents and Registrars as may require same, evidence to their satisfaction, in their discretion, of the loss, theft or destruction of such certificate and of the ownership thereof, and such security or indemnity as may be required by them.

SECTION 5.5 *Record Dates.*

In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or to consent to action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date which shall be not more than 60 nor less than 10 days before the date of any meeting of shareholders, and not more than 60 days prior to any other action. In such case, those shareholders, and only those shareholders, who are shareholders of record on the date fixed by the Board of Directors shall, notwithstanding any subsequent transfer of shares on the books of the Corporation, be entitled to notice of and to vote at such meeting of shareholders, or any adjournment thereof, or to consent to such corporate action in writing without a meeting, or be entitled to receive payment of such dividend or other distribution or allotment of rights, or be entitled to exercise rights in respect of any such change, conversion or exchange of shares or to participate in any such other lawful action.

SECTION 6—Miscellaneous

SECTION 6.1 *Fiscal Year.*

The fiscal year of the Corporation shall be the calendar year.

SECTION 6.2 *Surety Bonds.*

The Chief Financial Officer, the Controller, the Treasurer, each Assistant Treasurer, and such other officers and agents of the Corporation as the Board of Directors may from time to time direct shall be bonded at the expense of the Corporation for the faithful performance of their duties in such amounts and by such surety companies as the Board may from time to time determine.

SECTION 6.3 *Signature of Negotiable Instruments.*

All bills, notes, checks or other instruments for the payment of money shall be signed or countersigned in such manner as from time to time may be prescribed by resolution of the Board of Directors.

SECTION 6.4 *Independent Accountants.*

At each annual meeting, the shareholders shall appoint an independent public accountant or firm of independent public accountants to act as the Independent Accountants of the Corporation until the next annual meeting. Among other duties, it shall be the duty of the Independent Accountants

so appointed to make periodic audits of the books and accounts of the Corporation. As soon as reasonably practicable after the close of the fiscal year, the shareholders shall be furnished with consolidated financial statements of the Corporation and its consolidated subsidiaries, as at the end of such fiscal year, duly certified by such Independent Accountants, subject to such notes or comments as the Independent Accountants shall deem necessary or desirable for the information of the shareholders. In case the shareholders shall at any time fail to appoint Independent Accountants or in case the Independent Accountants appointed by the shareholders shall decline to act or shall resign or otherwise become incapable of acting, the Board of Directors shall appoint Independent Accountants to discharge the duties provided for herein. Any Independent Accountants appointed pursuant to any of the provisions hereof shall be directly responsible to the shareholders, and the fees and expenses of any such Independent Accountants shall be paid by the Corporation.

SECTION 6.5 *Indemnification of Officers, Directors, Employees, Agents and Fiduciaries; Insurance.*

- (A) The Corporation may indemnify, in accordance with and to the full extent permitted by the laws of the State of Delaware as in effect at the time of the adoption of this Section 6.5 or as such laws may be amended from time to time, and shall so indemnify to the full extent permitted by such laws, any person (and the heirs and legal representatives of any such person) made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, employee, agent or fiduciary of the Corporation or any constituent corporation absorbed in a consolidation or merger, or serves as such with another corporation, partnership, joint venture, trust or other enterprise at the request of the Corporation or any such constituent corporation.
- (B) By action of the Board of Directors notwithstanding any interest of the directors in such action, the Corporation may purchase and maintain insurance in such amounts as the Board of Directors deems appropriate on behalf of any person who is or was a director, officer, employee, agent or fiduciary of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation shall have the power to indemnify him against such liability under the provisions of this Section 6.5.

SECTION 7—Bylaws Amendments

SECTION 7.1 *By the Shareholders.*

These Bylaws may be amended by the shareholders at a meeting called for such purpose in any manner not inconsistent with any provision of law or of the certificate of incorporation.

SECTION 7.2 *By the Directors.*

These Bylaws may be amended by the affirmative vote of a majority of the whole Board of Directors in any manner not inconsistent with any provision of law or of the certificate of incorporation; *provided*, that the Board may not amend this Section 7.2, or the bonus proviso of Section 2.13 (Compensation of Directors), or Section 2.15 (Removal of Directors), Section 4.6 (Removal of Elected Officers) or Section 4.7 (Compensation of Elected Officers).

**UNITED TECHNOLOGIES CORPORATION**  
**2005 LONG-TERM INCENTIVE PLAN**

**Amended and restated as of April 9, 2008**

**SECTION 1. Purpose**

The purpose of this Plan is to give the Corporation a competitive advantage in attracting, retaining and motivating officers, employees and directors through a long-term incentive plan providing stock and performance-based awards linked to shareholder value.

**SECTION 2. Definitions**

Certain terms used herein have definitions provided when they are first used. In addition, for purposes of this Plan, the following terms are defined as set forth below:

- a. *"Affiliate"* means a corporation or other entity in which the Corporation has an equity or other financial interest, a joint venturer or partner of the Corporation, or an organization that is involved in a strategic, technological or marketing collaboration with the Corporation.
- b. *"Award"* means an Option, Stock Appreciation Right, Performance Share Unit, Restricted Stock, Restricted Stock Unit, dividend equivalent or other stock-based Award granted pursuant to the terms of this Plan.
- c. *"Award Agreement"* means the written documents setting forth the specific terms and conditions of an Award.
- d. *"Board"* means the Board of Directors of the Corporation.
- e. *"Cause"* means: (i) conduct involving a felony criminal offense under U. S. federal or state law or an equivalent violation of the laws of any other country; (ii) dishonesty, fraud, self dealing or material violations of civil law in the course of fulfilling the Participant's employment duties; (iii) breach of the Participant's intellectual property agreement or other written agreement with the Corporation; or (iv) willful misconduct injurious to the Corporation or any of its Subsidiaries or Affiliates as shall be determined by the Committee.
- f. *"Change-in-Control"* has the meaning set forth in Section 10(e).
- g. *"Code"* means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto. Reference to any section of the Internal Revenue Code shall include any final regulations interpreting that section.
- h. *"Commission"* means the Securities and Exchange Commission or any successor agency.
- i. *"Committee"* means the Board's Committee on Compensation and Executive Development.
- j. *"Common Stock"* means common stock, par value \$1 per share, of the Corporation.
- k. *"Corporation"* means United Technologies Corporation, a Delaware corporation.

- l. “*Disability*” means permanent and total disability as determined under the Corporation’s long-term disability plan applicable to the Participant, or if there is no such plan applicable to the Participant, “*Disability*” means a determination of total disability by the Social Security Administration; provided that, in either case, the Participant’s condition also qualifies as a “disability” for purposes of Section 409A(a)(2)(C) of the Code, with respect to an Award subject to Section 409A of the Code.
- m. “*Disaffiliation*” means the sale, spin-off, public offering or other transaction that affects the divestiture of the Corporation’s ownership of a Subsidiary, Affiliate or division of the Corporation.
- n. “*Early Retirement*” means early retirement as defined in the applicable provisions of the Participant’s pension plan or in the Award Agreement.
- o. “*Eligible Individuals*” means directors, officers, and employees of the Corporation or any of its Subsidiaries or Affiliates, and prospective directors, officers and employees who have accepted offers of employment or affiliation with the Corporation or its Subsidiaries or Affiliates.
- p. “*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.
- q. “*Exchange*” means the New York Stock Exchange.
- r. “*Fair Market Value*”, in reference to grant, means the closing price for Common Stock on the Exchange on the Grant Date. In reference to the exercise, vesting, settlement or payout of an Award, Fair Market Value may mean the average of the high and low per share trading prices, or the closing price, or the real time trading price, for Common Stock on the Exchange during regular session trading, as specified in the Award Agreement. If there is no reported price on the relevant date, Fair Market Value will be determined for the next following day for which there is a reported price for Common Stock.
- s. “*Grant Date*” means the effective date of an Award as specified in the Award Agreement.
- t. “*Normal Retirement*” means retirement from active employment with the Corporation, a Subsidiary or an Affiliate at or after age 65.
- u. “*Participant*” means an Eligible Individual to whom an Award is or has been granted.
- v. “*Performance Target*” means one or more performance targets established by the Committee in connection with the grant of Performance Share Units or other stock-based awards. In the case of Qualified Performance-Based Awards, such targets shall be based on the attainment of specified levels of one or more of the following measures: (i) diluted earnings per share; (ii) total shareholder return; (iii) working capital and gross inventory turnover; and (iv) revenue growth.
- w. “*Plan*” means this United Technologies Corporation 2005 Long Term Incentive Plan, as set forth herein and as hereafter amended from time to time.
- x. “*Qualified Performance-Based Award*” means an Award intended to qualify for the Section 162(m) Exemption, as provided in Section 11.
- y. “*Retirement*” means Normal or Early Retirement.

- z. “*Section 162(m) Exemption*” means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.
- aa. “*Separation from Service*,” with respect to Awards that are subject to Section 409A of the Code, means a Participant’s Termination of Employment with the Corporation and any of its Subsidiaries or Affiliates, other than by reason of death or Disability that qualifies as a “separation from service” for purposes of Section 409A of the Code. A Separation from Service will be deemed to occur where the Participant and the Corporation, its Subsidiary or Affiliate, reasonably anticipate that the bona fide level of services the Participant will perform (whether as an employee or as an independent contractor) will be permanently reduced to a level that is less than thirty-seven and a half percent (37.5%) of the average level of bona fide services the Participant performed during the immediately preceding 36 months (or the entire period the Participant has provided services if the Participant has been providing services to the Corporation and any of its Subsidiaries or Affiliates for less than 36 months.)
- bb. “*Share*” means a share of Common Stock.
- cc. “*Specified Employee*” means each of the 50 highest-paid executives of the Corporation and its Subsidiaries, determined annually as of March 31<sup>st</sup>, based on annual salary and incentive compensation paid in the prior year. The term includes both U.S. and non-U.S. employees.
- dd. “*Subsidiary*” means any corporation, partnership, joint venture or other entity during any period in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Corporation or any successor to the Corporation.
- ee. “*Term*” means the maximum period of an Award which shall not exceed ten years for Options and Stock Appreciation Rights.
- ff. “*Termination of Employment*” means the termination of a Participant’s employment with, or performance of services for, the Corporation and any of its Subsidiaries or Affiliates. Unless otherwise determined by the Committee, if a Participant’s employment with the Corporation and its Affiliates terminates but such Participant continues to provide services to the Corporation and its Affiliates in a non-employee capacity, such change in status shall not be deemed a Termination of Employment. A Participant shall be deemed to incur a Termination of Employment in the event of the Disaffiliation of such Participant’s Subsidiary, Affiliate, or division unless the Committee specifies otherwise. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Corporation and its Subsidiaries and Affiliates do not constitute a Termination of Employment. If an Award is subject to Section 409A of the Code, however, Termination of Employment for purposes of that Award shall mean the Participant’s Separation from Service.

### **SECTION 3. Administration**

- a. *Committee*. The Plan shall be administered by the Committee, which shall be composed exclusively of independent non-employee directors appointed by the Board. The Committee shall have full authority to administer the Plan, including the authority to select Eligible Individuals to whom Awards are granted, to determine the number of Shares covered by each Award, the terms and conditions of each Award as set forth in the Award Agreement and to interpret the terms and provisions of the Plan and Award Agreements, provided, however, that the Board Committee on Nominations and Governance shall be responsible for approving Awards to non-employee directors. The Committee shall have the authority to modify, amend or adjust the terms and conditions of any Award to comply with tax and securities laws, including laws of countries outside of the United

States, and to comply with changes of law and accounting standards. The Committee may temporarily suspend Awards pursuant to any blackout period that it deems necessary or advisable in its sole discretion.

- b. *Procedures.* The Committee may act by a majority of its members then in office. It also may allocate responsibilities and powers among its members and may delegate its responsibilities and powers to any person or persons selected by it, to the extent permitted by applicable law and the listing standards of the Exchange. The Committee may delegate authority to grant, interpret and administer Awards under the Plan to officers of the Corporation, provided however, that no such authority shall be delegated with respect to awards granted to any officer of the Corporation who is a reporting person under Section 16 of the Exchange Act. The full Board may exercise any of the Committee's authority, except with respect to the grant of any Qualified Performance-Based Award or the administration of such Award as provided in Section 11.
- c. *Discretion of Committee.* Any determination made by the Committee or by a person pursuant to delegated authority (a "Delegate") with respect to any Award shall be made in the sole discretion of the Committee or such Delegate unless in contravention of any express term of the Plan. All decisions made by the Committee or a Delegate shall be final and binding on all persons, including the Corporation, Participants, and Eligible Individuals provided, however, that in the event of a Change-in-Control, all such decisions shall be subject to de novo review.
- d. *Award Agreements.* The terms and conditions of each Award, as determined by the Committee, shall be set forth in a written Award Agreement, which shall be delivered to the Participant receiving such Award as promptly as is reasonably practicable following the grant of such Award. The Award's effectiveness will not be dependent on any signature unless specifically so provided in the Award Agreement. Awards shall generally be subject to a three year vesting period and no more than 10% of all Awards to executives and directors may have a vesting period of less than three years, and in no case may more than 5% of Awards be granted with time based vesting of less than three years. However, vesting may accelerate in the event of a Change-in-Control and certain other events as set forth in Section 10 herein, and in the event of death, Disability or Retirement, as will be specified in the Award Agreement.

#### **SECTION 4. Common Stock Subject to Plan**

- a. *Plan Maximums.* A maximum of 71,000,000 Shares may be delivered pursuant to Awards granted under the Plan. No more than 3,000,000 Shares may be subject to Incentive Stock Option Awards.
- b. *Individual Limits.* No Participant may be granted Awards covering in excess of 1,000,000 Stock Appreciation Rights or Options, or in excess of 500,000 Shares of Restricted Stock, Performance Share Units, Restricted Stock Units, or other Full Share Awards, during any calendar year.
- c. *Rules for Calculating Shares Delivered.* The following rules shall apply to the determination of the number of Shares available for delivery pursuant to the authorization in Section 4(a):
  - (i) Stock awards with value denominated in full shares (a "Full Share Award") will result in a reduction of 3.1 Shares in the number of Shares available for delivery. Options and Stock Appreciation Rights do not constitute Full Share Awards and will accordingly result in a one share reduction for each Option or Stock Appreciation Right awarded.

- (ii) To the extent that any Award is forfeited, or any Option or Stock Appreciation Right terminates, expires or lapses without being exercised, the Shares subject to such Awards will not be counted as Shares delivered under the Plan.
- (iii) Shares tendered or withheld to pay the exercise price of a Stock Option or to pay tax withholding associated with the granting or vesting of any Award will not be added back to the Shares available for delivery under the Plan.
- (iv) Awards valued by reference to Common Stock that may be settled in equivalent cash value will count as Shares delivered to the same extent as if the Award were settled in Shares.

#### **SECTION 5. Options and Stock Appreciation Rights**

- a. *Options.* An “Option” entitles the holder to acquire Shares at an exercise price equal to or greater than the Fair Market Value of Common Stock on the Grant Date, subject to the terms and conditions set forth in the Award Agreement. Options will be non-qualified Options unless the Award Agreement specifies that the Option is an Incentive Stock Option intended to comply with Section 422 of the Code.
- b. *Stock Appreciation Rights.* A “Stock Appreciation Right” entitles the holder to acquire shares of Common Stock or to receive a cash payment in each case equal in value to the difference between Fair Market Value on the Grant Date and Fair Market Value on the date of exercise, subject to the terms and conditions set forth in the Award Agreement. Upon the exercise of a Stock Appreciation Right, the Participant shall be entitled to receive cash or Shares equal in value to the product of (i) the excess of the Fair Market Value of one Share over the exercise price of the applicable Stock Appreciation Right, multiplied by (ii) the number of Shares in respect of which the Stock Appreciation Right has been exercised. The Award Agreement shall specify at the time of grant whether such payment is to be made in cash, Common Stock or both.
- c. *Limitations.* The exercise price per Share of an Option or a Stock Appreciation Right shall be determined by the Committee and set forth in the applicable Award Agreement, and shall not be less than the Fair Market Value of a share of the Common Stock on the Grant Date. In no event may any Option or Stock Appreciation Right granted under this Plan be amended, other than pursuant to Section 10, to decrease the exercise price thereof, be cancelled in conjunction with the grant of any new Option or Stock Appreciation Right with a lower exercise price, or otherwise be subject to any action that would be treated, for accounting purposes, as a “repricing” of such Option or Stock Appreciation Right, unless such amendment, cancellation, or action is approved by the Corporation’s shareowners.
- d. *Term.* The Term of each Option and Stock Appreciation Right shall be fixed by the Committee, but shall not exceed ten years from the Grant Date.
- e. *Vesting and Exercisability.* Except as otherwise provided herein, Options and Stock Appreciation Rights shall be vested and exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee and set forth in the Award Agreement.
- f. *Method of Exercise.* Vested Options and Stock Appreciation Rights may be exercised, in whole or in part, during the applicable Term by giving written notice of exercise to the Corporation, or the vendor authorized by the Corporation, specifying the number of Options or Stock Appreciation Rights to be exercised. In the case of the exercise of an Option, such notice shall be accompanied by payment in full of the exercise price. If approved by the Committee, payment, in full or in part, may also be made as follows:
  - (i) Payments may be made in the form of unrestricted Shares already owned by the Participant (by delivery of such Shares or by attestation) of the same class as the Common Stock subject to the Option (based on the Fair Market Value of the Common Stock on the date the Option is exercised);

- (ii) By such other means as the Committee shall authorize, including without limitation, the withholding of Shares otherwise receivable upon settlement of the Award in payment of the exercise price.
- g. *Termination of Employment.* Options and Stock Appreciation Rights will generally vest after a three-year holding period or achievement of Performance Targets, if applicable. Awards shall be forfeited in the event of a Participant's Termination of Employment prior to the vesting date, except as set forth below:
- (i) Upon a Participant's Termination of Employment by reason of death, Options and Stock Appreciation Rights held by the Participant shall immediately vest and all outstanding Options and Stock Appreciation Rights may be exercised at any time until the first anniversary of the date of death;
  - (ii) Upon a Participant's Termination of Employment by reason of Disability, Options and Stock Appreciation Rights held by the Participant that were exercisable immediately before the Termination of Employment may be exercised at any time until the earlier of (A) the third anniversary of such Termination of Employment or (B) the expiration of the Term thereof. Non-vested Stock Appreciation Rights and Options will continue to be eligible to vest as scheduled during the period the Participant remains disabled and may be exercised at any time until the earlier of (A) the third anniversary of the vesting date or (B) the expiration of the Term thereof;
  - (iii) Upon a Participant's Termination of Employment by reason of Retirement, Options and Stock Appreciation Rights held for more than one year shall immediately become vested and exercisable. Vested Options and vested Stock Appreciation Rights may be exercised until the expiration of their Term with respect to Participants who retire on or after age 55;
  - (iv) Upon a Participant's Termination of Employment for Cause, all Options and Stock Appreciation Rights held by the Participant will be forfeited immediately, whether or not vested;
  - (v) If a Participant dies after Termination of Employment, outstanding Options and Stock Appreciation Rights may be exercised until the earlier of (A) the first anniversary of the date of death or (B) the expiration of the Term thereof; and
  - (vi) Upon a Participant's Termination of Employment for any reason other than death, Disability, Retirement or for Cause, any vested Option or Stock Appreciation Right may be exercised until the earlier of (A) the 90th day following such Termination of Employment or (B) expiration of the Term thereof.



Notwithstanding the foregoing, the Committee shall have the power, in its discretion, to apply different rules concerning the consequences of a Termination of Employment, as set forth in the applicable Award Agreement.

#### **SECTION 6. Restricted Stock**

- a. *Nature of Awards and Certificates.* Shares of "Restricted Stock" are actual Shares issued to a Participant, evidenced by book-entry registration in the name of the Participant and shall reference the terms, conditions, and restrictions applicable to such Award.
- b. *Terms and Conditions.* Shares of Restricted Stock shall be subject to the following terms and conditions:
  - (i) The Committee may designate an Award of Restricted Stock as a Qualified Performance-Based Award that will vest only upon the attainment of Performance Targets. The Committee may also condition the grant or vesting of a Restricted Stock Award upon the continued service of the Participant or a combination of continued service and performance vesting criteria;
  - (ii) The Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Shares of Restricted Stock prior to the expiration of the required period of continued service and/or the achievement of applicable Performance Targets. Except as provided in the preceding sentence, the Participant shall have all of the rights of a shareowner of the Corporation holding the class or series of Common Stock that is the subject of the Restricted Stock Award, including the right to vote the Shares and the right to receive cash dividends at the same time as the dividends are paid to the Corporation's other shareowners; and
  - (iii) Upon a Participant's Termination of Employment during the restriction period or before the applicable Performance Targets are satisfied, non-vested Shares of Restricted Stock shall be forfeited by such Participant; provided, however, that Restricted Stock will vest in the event of death and may vest or remain eligible to vest in the event of Early Retirement, Retirement or Disability, as set forth in the Award Agreement.

#### **SECTION 7. Performance Share Units**

- a. *Nature of Award.* A "Performance Share Unit" is equal in value to one Share and subject to vesting on the basis of the achievement of specified Performance Targets. Upon vesting, Performance Share Units will be settled by delivery of Shares or cash (as specified in the Award Agreement) to the Participant equal to the number of vested Performance Share Units.
- b. *Terms and Conditions.* Performance Share Units shall be subject to the following terms and conditions:
  - (i) Performance Share Units are Qualified Performance-Based Awards and shall vest solely as a result of the achievement of Performance Targets, except as provided below in clause (iv);
  - (ii) A Participant may not assign, transfer, pledge or otherwise encumber Performance Share Units;

- (iii) The Award Agreement shall specify if the Participant shall be entitled to receive current or deferred payments of cash or Common Stock in respect of non-vested Performance Units corresponding to the dividends payable on the Common Stock, in accordance with Section 409A of the Code;
- (iv) Upon a Participant's Termination of Employment before the applicable Performance Targets are satisfied, all Performance Share Units still subject to restriction shall be forfeited by such Participant; provided as set forth in the Award Agreement, however that Performance Share Units will vest in the event of death: and remain eligible to vest in the event of Early Retirement, Retirement or Disability; and
- (v) Except as provided in the following sentence, all Performance Share Units shall be settled no later than 2 1/2 months after the end of the year in which the Performance Share Units vest. If the Award Agreement provides (when the Award is granted) that a Performance Share Unit may vest in the event of Early Retirement or Retirement, the Performance Share Unit shall be settled thirty days after the end of the performance measurement period designated in the Award Agreement, or on another specific date designated in the Award Agreement; provided, however, that if the Performance Share Unit actually vests upon Retirement and if the Participant is a Specified Employee, the Performance Share Unit shall be settled on the first day of the seventh month following the Participant's Termination of Employment.

#### **SECTION 8. Restricted Stock Units**

*Nature of Award.* A "Restricted Stock Unit" is equal in value to one Share of Common Stock and subject to vesting on the basis of a period of continuous employment with the Corporation or an Affiliate or other criteria as specified in the Award Agreement that constitute a "substantial risk of forfeiture" for purposes of Section 409A of the Code. Upon vesting, Restricted Stock Units will be settled by delivery of Shares to the Participant equal to the number of vested Restricted Stock Units. All Restricted Stock Units shall be settled no later than 2 1/2 months after the end of the year in which the Restricted Stock Units vest.

#### **SECTION 9. Other Stock-Based Awards**

Other Awards that are valued in whole or in part by reference to, or are otherwise based upon, Common Stock, including (without limitation) unrestricted stock, dividend equivalents, and convertible debentures, may be granted under the Plan.

#### **SECTION 10. Future Events**

- a. *Adjustments to Common Stock.* In the event of a stock split, reverse stock split, share combination, recapitalization, sale of assets, stock dividend, extraordinary dividend or similar event affecting the value of a Share of Common Stock, or the number of shares outstanding (each, a "Share Change"), applicable Share limitations as set forth in Section 4 and outstanding Awards, the number of Shares subject to outstanding Awards, the exercise price of Options and Stock Appreciation Rights and other relevant provisions of the Plan and outstanding Awards shall be adjusted as necessary and appropriate to reflect the Share Change and to preserve the value of Awards.
- b. *Changes to the Corporation's Capital Structure.* In the event of a merger, consolidation, spin-off, reorganization, stock rights offering, liquidation, Disaffiliation, or other material event affecting the capital structure of the Corporation (each, a "Corporate Transaction"), the Committee or the Board

may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to: (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan; (B) the various maximum limitations set forth in Section 4; (C) the number and kind of Shares or other securities subject to outstanding Awards; and (D) the exercise price of outstanding Options and Stock Appreciation Rights. Adjustments may include, without limitation, the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion to be necessary or appropriate to protect the value of Participants' interests in their Awards. In the event of a Disaffiliation, the Committee may arrange for the assumption of Awards, or replacement of Awards with new Awards based on other property or other securities.

- c. *Change-in-Control.* In the event of a Change-in-Control, subject to the following sentence, but notwithstanding any other provision of the Plan to the contrary, the Committee may, in its discretion, take any of the actions listed in this subsection (c). If an Award is subject to Section 409A of the Code, any special provision regarding the timing or form of payment upon a Change-in-Control must be set forth in the Award Agreement when the Award is granted, and must comply with the requirements of Section 409A.
- (i) provide that any Options and Stock Appreciation Rights outstanding which are not then exercisable and vested shall become immediately vested and fully exercisable;
  - (ii) immediately lapse restrictions and deferral limitations applicable to any Restricted Stock, Restricted Stock Unit and other Awards and such Restricted Stock shall become free of all restrictions, fully vested and transferable and Restricted Stock Units and other Awards shall be settled as promptly as practicable in the form set forth in the applicable Award Agreement;
  - (iii) provide that Performance Targets applicable to Performance Share Units and other Awards shall be deemed to be satisfied and such Awards shall be considered to be earned and payable in full, and any deferral or other restriction shall lapse and such Restricted Stock Units and other Awards shall be settled as promptly as is practicable in the form set forth in the applicable Award Agreement; and
  - (iv) make such additional adjustments, substitutions and/or settlements of outstanding Awards as it deems appropriate to protect Participants' interests in their Awards, consistent with the Plan's purposes, including, without limitation, the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion.
- d. *Termination of Employment Following Change-in-Control.* To the extent not otherwise vested by the Committee in accordance with the provisions of this Section 10 and notwithstanding any other provision of this Plan to the contrary, during the 24-month period following a Change-in-Control: (i) upon the involuntary termination of a Participant's employment other than termination for Cause; (ii) upon the voluntary termination of employment by the Participant following a material and adverse change in the Participant's compensation, responsibilities, functions or reporting relationship; or (iii) in the event a Participant resigns rather than accept a mandatory relocation greater than 50 miles; then, in any such event, all outstanding Awards held by such Participant shall become vested as of the Date of Termination. Any Option or Stock Appreciation Right held by the Participant as of the date of the Change-in-Control that remains outstanding as of the date of Termination of Employment may

thereafter be exercised, until the earlier of (i) the third anniversary of the date of termination; or (ii) the expiration of the Term of such Option or Stock Appreciation Right. Restricted Shares shall immediately be free and transferable. Restricted Share Units, Performance Share Units and other Awards shall be vested as of the Termination of Employment and settled as soon as practicable as specified in the Award Agreement; provided, however, that if the Award is subject to Section 409A and the Participant is a Specified Employee, the Award shall be settled on the first day of the seventh month following the Participant's Termination of Employment.

e. *Definition of Change-in-Control.* For purposes of the Plan, a "Change-in-Control" shall mean any of the following events:

- (i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "Person")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of the then-outstanding Shares of Common Stock plus any other outstanding shares of stock of the Corporation entitled to vote in the election of directors (the "Outstanding Corporation Voting Securities"); provided, however, that the Corporation and any employee benefit plan (or related trust) sponsored by it shall not be deemed to be a Person; or
- (ii) A change in the composition of the Board such that the individuals who constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board. For this purpose, any individual whose election or nomination for election by the Corporation's shareowners was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board; or
- (iii) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Corporation or any of its subsidiaries or a sale or other disposition of substantially all of the assets of the Corporation or a material acquisition of assets or stock of another entity by the Corporation or any of its subsidiaries, (each, a "Business Combination") if:
  - (A) the individuals and entities that were the beneficial owners of the Outstanding Corporation Voting Securities immediately prior to such Business Combination do not beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of stock and the combined voting power of the then-outstanding voting securities of the corporation resulting from such Business Combination; or
  - (B) a Person beneficially owns, directly or indirectly, 20% or more of the then-outstanding shares of stock of the corporation resulting from such Business Combination; or
  - (C) members of the Incumbent Board do not comprise at least a majority of the members of the board of directors of the corporation resulting from such Business Combination; or
- (iv) The approval by the shareowners of the Corporation of a complete liquidation or dissolution of the Corporation.

If an Award is subject to Section 409A of the Code, the payment or settlement of the Award shall accelerate upon a Change-in-Control only if the event also constitutes a “change in ownership,” “change in effective control,” or “change in the ownership of a substantial portion of the Corporation’s assets” as defined under Section 409A of the Code. Any adjustment to the Award that does not affect the Award’s status under Section 409A (including, but not limited to, accelerated vesting or adjustment of the amount of the Award) may occur upon a Change-in-Control as defined in the Plan without regard to this paragraph, even if the event does not constitute a Change-in-Control under Section 409A.

#### **SECTION 11. Qualified Performance-Based Awards**

- a. The provisions of this Plan are intended to ensure that all Options, Stock Appreciation Rights, Performance Share Units and other Qualified Performance-Based Awards granted hereunder to any Participant who is or may be a “covered employee” (within the meaning of Section 162(m)(3) of the Code) qualify for the Section 162(m) Exemption, and all such Awards and this Plan shall be interpreted and operated consistent with that intention.
- b. Each Qualified Performance-Based Award (other than an Option or Stock Appreciation Right) shall be earned, vested and payable (as applicable) only upon the achievement of one or more Performance Targets, together with the satisfaction of any other conditions, such as continued employment, as the Committee may determine to be appropriate. Qualified Performance-Based Awards may not be amended, nor may the Committee exercise discretionary authority in any manner that would cause the Qualified Performance-Based Award to cease to qualify for the Section 162(m) Exemption; provided, however; that the Committee may provide, either in connection with the grant of the applicable Award or by amendment thereafter, that achievement of such Performance Targets will be waived: (i) upon the death or Disability of the Participant (or under any other circumstance with respect to which the existence of such possible waiver will not cause the Award to fail to qualify for the Section 162(m) Exemption); and (ii) in accordance with Section 10 herein.
- c. The Committee shall certify to the measurement of performance by the Corporation and the business units relative to Performance Targets and the resulting vesting achievement percentage. The Committee shall rely on such financial information and other materials as it deems necessary and appropriate to enable it to certify to the percentage of achievement of Performance Targets. The Committee shall make its vesting determination and vested Awards shall be paid or delivered not later than 2 1/2 months following the end of the performance measurement period.

#### **SECTION 12. Term, Amendment and Termination**

- a. *Effective Date.* The Amended Plan shall be effective as of April 9, 2008 (the “Effective Date”), subject to the approval of the shareowners of the Corporation.
- b. *Termination.* The Plan will terminate on the earlier of: (i) the date all Shares have been awarded as authorized in Section 4; or (ii) April 30, 2014. Awards outstanding shall not be affected or impaired by the termination of the Plan.
- c. *Amendment of Plan.* The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would materially impair the rights of a Participant with respect to a previously granted Award without such Participant’s consent, except an amendment made to comply with applicable law, stock exchange rules or accounting rules. In addition, no amendment shall be made without the approval of the Corporation’s shareowners to the extent such approval is required by applicable law or the listing standards of the Exchange. In the event the Exchange’s listing standards are modified for the purpose of reducing or eliminating the requirement

for shareowner approval of equity plans and amendments, Plan amendments shall remain subject to shareowner approval in accordance with the listing standards in effect immediately prior to any such amendment.

- d. *Amendment of Awards.* Subject to Section 10, the Committee may unilaterally amend the terms of any Award theretofore granted, prospectively or retroactively, but no such amendment shall cause a Qualified Performance-Based Award to cease to qualify for the Section 162(m) Exemption or be made without the Participant's consent if such amendment materially impairs the rights of any Participant with respect to an Award, except amendments made to cause the Plan or Award to comply with applicable law, stock exchange rules, tax rules or accounting rules. No amendment to any Award shall reduce the exercise price of any Option or Stock Appreciation Right except to the extent necessary to preserve the value of the Award in the event of a stock split or other "Share Change" as defined in Section 10(a) or a "Corporate Transaction" as described in Section 10(b). In no event, including a Corporate Transaction or a Change-in-Control, may any Award be amended or action taken to make a cash payment in exchange for an Option or Stock Appreciation Right that has the effect of providing value greater than the amount determined using the exercise price in effect as of the date of the contemplated action, unless approved by the Corporation's shareowners.

### **SECTION 13. General Provisions**

- a. *Nature of Payments.* All Awards made pursuant to this Plan are in consideration of services performed for the Corporation or its Affiliates. Any gain realized pursuant to such Awards constitutes a special incentive payment to the Participant and shall not be taken into account as compensation for purposes of any of the employee benefit plans of the Corporation or any Affiliate. Nothing contained in the Plan shall prevent the Corporation or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.
- b. *Unfunded Plan.* The Plan constitutes an "unfunded" plan for incentive and deferred compensation. Neither the Corporation nor the Committee shall have any obligation to segregate assets or establish a trust or other arrangements to meet the obligations created under the Plan. Any liability of the Corporation to any Participant with respect to an Award shall be based solely upon contractual obligation created by the Plan and the Award Agreement. No such obligation shall be deemed to be secured by any pledge or encumbrance on the property of the Corporation.
- c. *No Contract of Employment.* The Plan shall not constitute a contract of employment, and adoption of the Plan or granting of an Award shall not confer upon any employee the right to continued employment, nor shall it interfere in any way with the right of the Corporation or any Subsidiary or Affiliate to terminate the employment of any employee at any time.
- d. *Required Taxes.* No later than the date an amount first becomes includible in gross income or is no longer subject to a substantial risk of forfeiture, with respect to any Award, Participants must pay to the Corporation, or make arrangements satisfactory to the Corporation regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Corporation, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement; provided, however, that not more than the legally required minimum withholding may be settled with Common Stock. The obligations of the Corporation under the Plan and any Award Agreement shall be conditional on such payment or arrangements, and the Corporation and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant.

e. *Forfeiture of Interests and Gains upon Certain Events.* All Awards, including vested Awards, shall be forfeited, and a Participant shall be obligated to repay gains previously realized from Awards upon any of the following events:

- (i) Termination of Employment for Cause;
- (ii) if within three years following any Termination of Employment the Committee or the Corporation determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for a Termination of Employment for Cause;
- (iii) if at any time during the twenty-four month period immediately following any Termination of Employment, a Participant:
  - (A) solicits for employment or otherwise attempts to retain the professional services of any individual then employed or engaged by the Corporation (other than a person performing secretarial or similar services) or who was so employed or engaged during the three month period preceding such solicitation; or
  - (B) publicly disparages the Corporation or any of its officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests of the Corporation or such individuals; or
- (iv) if at any time during the twelve month period following any Termination of Employment, a Participant becomes employed by, consults for or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant, unless the Participant has first obtained the written consent of the Sr. Vice President, Human Resources and Organization. For purposes of applying this provision:
  - (A) A Participant shall be deemed to have been employed by each business unit that employed the Participant within the two-year period immediately prior to the date of the Termination of Employment; and
  - (B) The status of a business entity or person as a competitor shall be determined by the Sr. Vice President, Human Resources and Organization in his or her sole discretion.

Following any of these events and immediately upon notice from the Corporation, the Participant must repay an amount equal to all income or gain realized in respect of any Awards on and after (A) in the case of competing employment described in Section 13(e)(iv), twelve months prior to the date on which the Participant entered into competing employment, and (B) in all other cases, twenty-four months prior to the date on which the Participant engaged in conduct that constituted the basis for termination for Cause in Section 13(e)(i) or (ii) above or the conduct prohibited by Section 13(e)(iii) above. The amount of repayment shall include, without limitation: (i) gains from the exercise of Options or Stock Appreciation Rights; (ii) amounts received in connection with the delivery or sale of Shares or cash paid in respect of any Award; and (iii) any dividends, dividend equivalents or other distributions received in respect of any Award. There shall be no forfeiture or repayment under this Section 13(e) following a Change-in-Control.

- f. *Certain Deferrals.* The Committee may from time to time establish procedures pursuant to which a Participant may elect to defer, until a date later than the date a Performance Share Unit would otherwise become vested and payable. In the event of such a deferral, the deferred Units will be credited with dividend equivalents to be re-invested in additional Units. Any deferral procedures established pursuant to this subsection (f), and any amounts deferred pursuant to such procedures, shall include provisions designed to comply with the requirements of Section 409A of the Code.
- g. *Designation of Death Beneficiary.* The Committee shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of such Participant's death are to be paid or by whom any rights of such Eligible Individual, after such Participant's death, may be exercised.
- h. *Governing Law and Interpretation.* The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws and, where applicable, the laws of the United States. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.
- i. *Non-Transferability.* Awards under the Plan are not transferable except by will or by the laws of descent and distribution. The Committee may provide that certain Options and Stock Appreciation Rights may be transferred to a Participant's children or family members, whether directly or indirectly by means of a trust, partnership or otherwise. "Family member" shall have the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto. Options and Stock Appreciation Rights shall be exercisable only by the applicable Participant, the guardian or legal representative of such Participant, or any person to whom such Option or Stock Appreciation Right is permissibly transferred pursuant to Section 13(i).
- j. *Foreign Employees and Foreign Law Considerations.* The Committee may grant Awards to Eligible Individuals who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause the Corporation to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, or subplans as may be necessary or advisable to comply with such legal or regulatory provisions.
- k. *Section 409A of the Code.* All Awards under the Plan are intended either to be exempt from, or to comply with, the requirements of Section 409A of the Code, and the Plan and all Awards shall be interpreted and operated in a manner consistent with that intention. If any provision of the Plan or any Award contravenes any regulation or guidance promulgated under Section 409A of the Code, the provision may be amended by the Committee, without the consent of the Participant, in any manner the Committee deems reasonable or necessary to comply with Section 409A. The Corporation does not warrant that the Plan will comply with Section 409A with respect to any Participant or with respect to any Award. In no event shall the Corporation, its Subsidiaries or Affiliates, any director, officer, or employee of the Corporation, its Subsidiaries or Affiliates (other than the Participant), or any member of the Committee be liable for any additional tax, interest, or penalty incurred by a Participant or beneficiary as a result of an Award's failure to satisfy the requirements of Code Section 409A, or as a result of an Award's failure to satisfy any other applicable requirements for favorable tax treatment.



**UTC ELECTS CHÊNEVERT CHIEF EXECUTIVE OFFICER;  
DAVID TO CONTINUE AS BOARD CHAIRMAN**

LONGUEUIL, Quebec, Canada, April 9, 2008 — United Technologies Corp. (NYSE: UTX) Board of Directors today elected Louis R. Chênevert the corporation's Chief Executive Officer, succeeding George David, 66, who will continue as Chairman. Chênevert, 50, will retain the title of UTC President and continue as a director.

"This transition has been a deliberate and successful process during which Louis has demonstrated his ability successfully to lead this large and complex organization. We all have the highest confidence in him," said David.

Chênevert was elected UTC's President and Chief Operating Officer in March 2006. He joined Pratt & Whitney Canada, a UTC subsidiary, in 1993 after 14 years at General Motors and was elected Pratt & Whitney's President in 1999.

"I am honored by the trust the Board has placed in me and feel privileged to have the opportunity to follow George David, a truly outstanding leader and CEO," Chênevert said. "Under George's leadership, UTC has delivered extraordinary performance and is well positioned for the future."

"I have great confidence in UTC's ability to continue to deliver superior performance. We have an experienced leadership team, a balanced portfolio of products, and a strong global footprint, the essential elements of success," Chênevert added.

United Technologies, based in Hartford, Conn., is a diversified company providing high technology products and services to the global aerospace and building industries. UTC's products include Pratt & Whitney aircraft engines, Sikorsky helicopters, Carrier heating and air conditioning, Hamilton Sundstrand aerospace systems and industrial products, Otis elevators and escalators, UTC Fire & Security systems and UTC Power fuel cells.

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