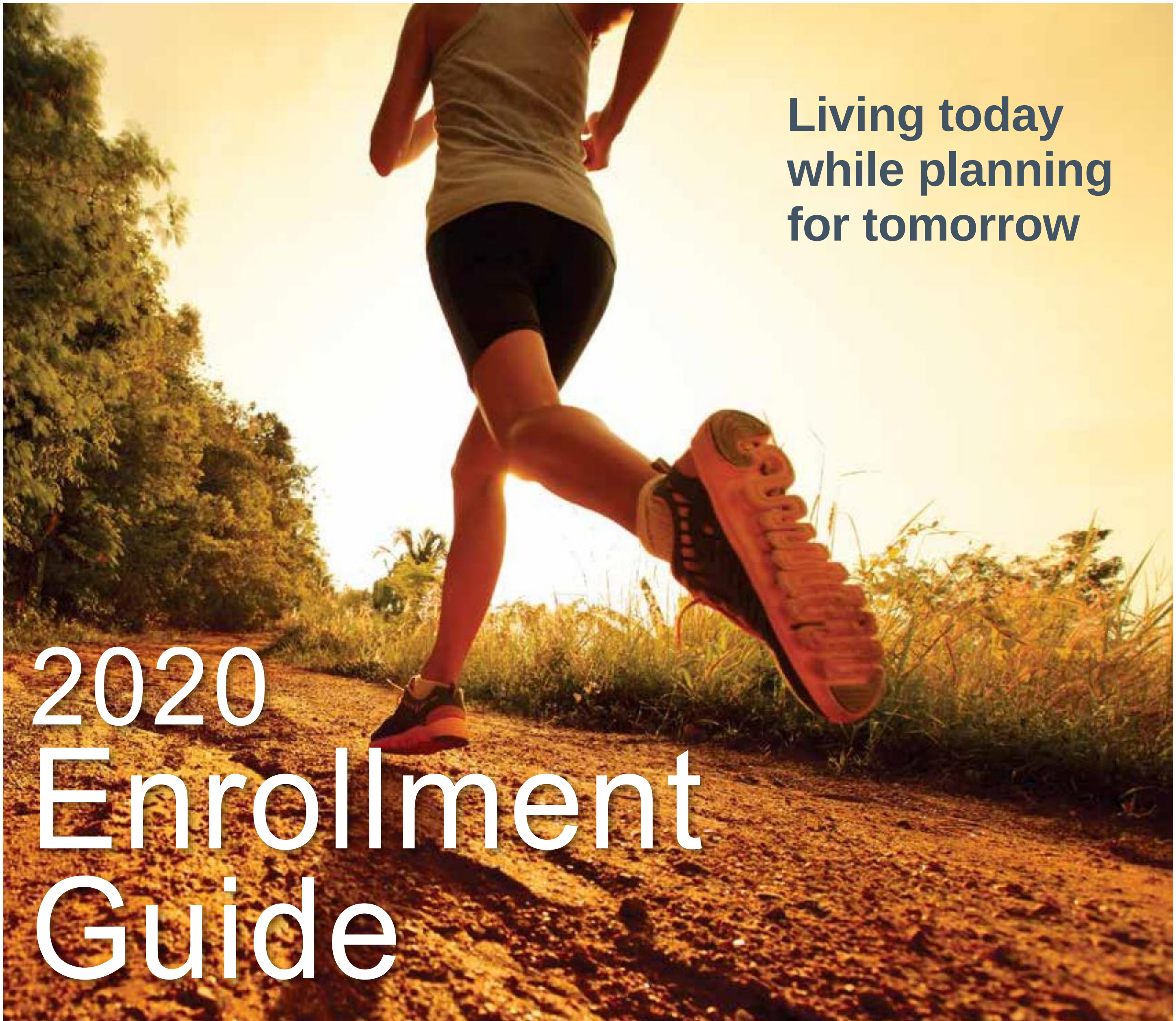
UTC Employee Savings Plan



Living today while planning for tomorrow

2020 Enrollment Guide

empowerU Total Rewards

United Technologies

WHAT'S INSIDE

QUESTIONS ABOUT THE UTC SAVINGS PLAN?

CALL:

AccessDirect at **1-800-243-8135** and follow the prompts for **Savings & Retirement.** Representatives are available from 8:00 a.m. to 8:00 p.m. Eastern Time (ET), Monday through Friday.

VISIT:

Your Gateway through **empowerU** or via the internet at **www.yourtotalrewards.com/utc**

The UTC Savings Plan (the "Plan") is intended to be a "Section 404(c) plan" within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended from time to time. As a Section 404(c) plan, the Plan provides participants with substantial benefits but also comes with substantial responsibilities. For example, the Plan offers participants a broad range of investment options, as well as access to sufficient information and tools to help you make informed investment decisions. The Plan also permits you to move your assets between investment options at virtually any time, subject to reasonable "excessive trading" rules. But Plan participation (like participation in any Section 404(c) plan) also comes with important responsibilities. Perhaps most importantly, you are solely responsible for investment decisions and the results of those investment decisions. This means that neither UTC, the Plan, the Plan's Administrator nor any fiduciary has any legal liability if you suffer any investment losses as a result of your decision to participate in this Plan. In the event of any conflict between the information in this document and the Plan document, the Plan document will govern. Please keep in mind that UTC has the right to terminate the Plan or to change any of its terms, including its benefits formula, at any time.

CONGRATULATIONS!

You’re now eligible to enroll in the UTC Savings Plan.

Your future starts today, and so should your saving for it. To make it easier for you to have a Healthy Wallet, UTC provides many tools and resources like the UTC Savings Plan (The “Plan”). Visit the Healthy Wallet tile on the Savings & Retirement tab of ***Your Gateway*** to take advantage of the tools that will help you identify the savings opportunities you may not even know exist, making it easier for you to participate in the Plan.

You are automatically enrolled in the UTC Savings Plan (see **page 4**), but UTC encourages you to **actively enroll** and make savings and investment decisions based on your unique retirement goals. By being an active participant in your savings, you can choose the most appropriate savings opportunities, contribution rate and investment option(s) for your current situation and future savings goals.

This guide will explain how you can make the most of the Plan by outlining its key features and detailing the investment options available to you.

By joining the Plan, you’ll benefit from:

- Convenient, automatic saving through payroll deductions
- Tax benefits and the power of compounding, which can help your money grow
- Diverse investment options to suit your needs
- Tools and resources to help you make informed decisions

You may also be eligible to receive Company matching and/or automatic contributions. See the ***Summary Plan Description*** for more details.

Enrollment Is Automatic

When you are automatically enrolled in the Plan, 6% of your before-tax eligible earnings will be deducted from your pay each pay period and invested in the Lifetime Income Strategy. Also, this contribution rate will automatically increase by 1% of your eligible pay each year in April until it reaches 10%.

You can change these default elections at any time after being automatically enrolled in the Plan. The Lifetime Income Strategy invests in a portfolio that includes a diversified mix of stocks and bonds appropriate for your age. The investment mix is based on your date of birth and, similar to the Plan's current Target Retirement Funds, it assumes a retirement age of 65.

Over time, the asset allocation managers automatically adjust your portfolio for you, so your investment mix makes sense for your age. This means that as you move closer to retirement, the portfolio allocation adjusts to manage your investment risk. The Lifetime Income Strategy has an insurance component that will provide a set income amount — or Income Benefit — that will last throughout your retirement.

Did you know?

Please note that you can change your contribution percentage, contribution type and investment options at any time after being automatically enrolled in the Plan by visiting ***Your Gateway***.

Why Save Now?

Most of us will be responsible for providing the majority of our retirement income. Longer life spans, the rising cost of living and increasing health care costs are all compelling reasons to begin saving through the Plan.

How Compounding Can Help You Save

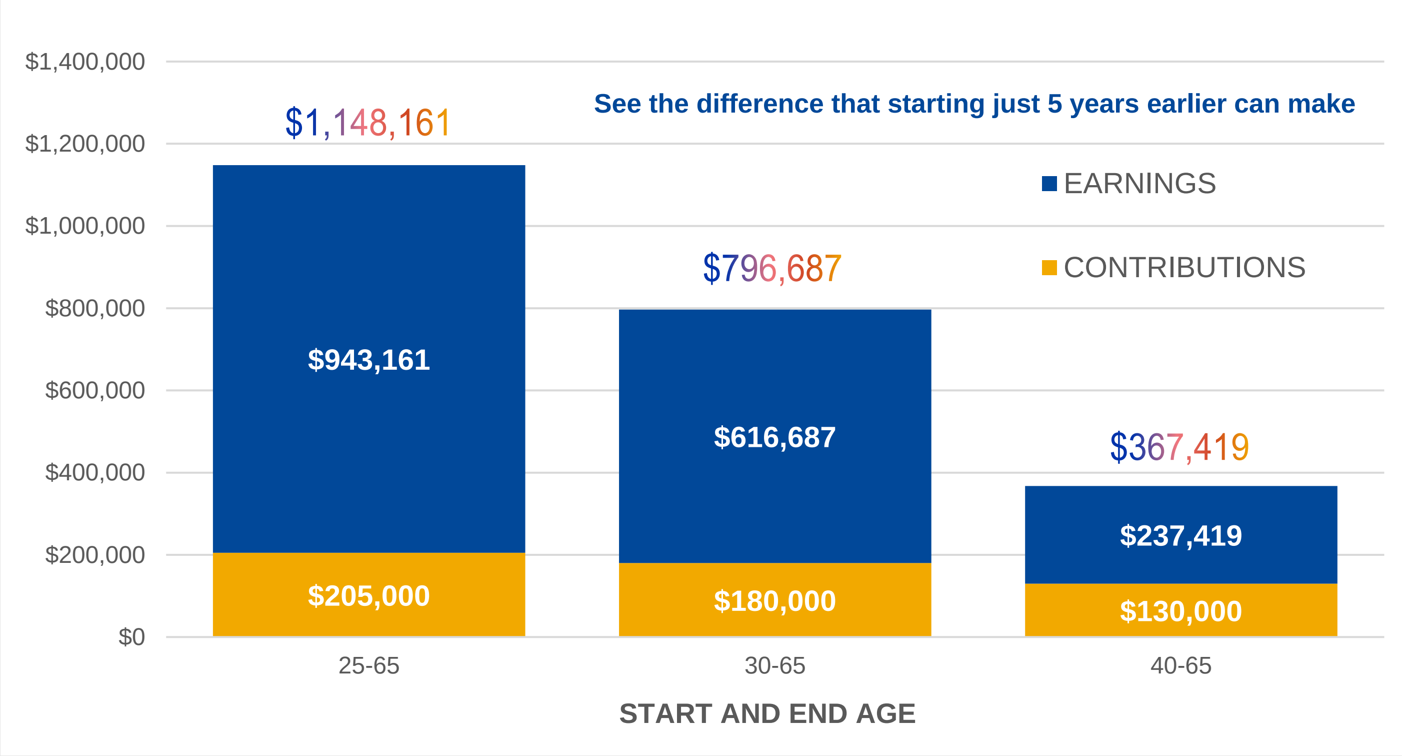
Compounding means that each dollar you contribute has the potential to generate earnings or grow. Those earnings may then generate more earnings and so on. Compounding starts slowly and builds momentum over time.

And, since earnings on before-tax and after-tax contributions aren't taxed until you make a withdrawal, the money you don't pay in taxes stays in your account and accelerates compounding. Roth 401(k) contributions go one step further: the money in your account is sheltered from taxes and can be withdrawn tax free if certain requirements are met.

See page 6 to learn more about contribution types.

The following example shows how $5,000, invested annually over different periods of time, will grow as a result of compounding.

COMPOUNDING: EVEN MORE POWERFUL OVER TIME



This hypothetical example assumes contributions on January 1 of each year and a 7% annual rate of return compounded monthly. The ending values don't reflect taxes, fees or inflation. Earnings and before-tax (deductible) contributions are subject to taxes when withdrawn. Investing in this manner doesn't ensure a profit or guarantee against a loss in declining markets. Your own Plan account may earn more or less than shown in this example.

Step 1: Decide How Much to Save

Before you choose how much money to contribute from each paycheck to your Plan account, it's important that you understand the types of contributions you can make. In the tables below, you'll find the tax advantages and other characteristics of each contribution type, followed by the Plan/IRS limits for each.

	CONTRIBUTION TYPE		
EMPLOYEE CONTRIBUTIONS	**BEFORE-TAX** Contributions come out of your pay before taxes are deducted, which can reduce your taxable income and, therefore, your current tax bill.	**ROTH 401(K)*** Contributions come out of your pay after taxes are deducted, so your taxable income and current tax will bill not be reduced.	**AFTER-TAX*** Contributions come out of your pay after taxes are deducted, so your taxable income and current tax will bill not be reduced.
TAX TREATMENT UPON WITHDRAWAL	Contributions and earnings are taxed upon withdrawal.	Contributions and earnings aren't taxed upon withdrawal as long as: 1. It has been at least five years from the date of your first Roth 401(k) contribution AND 2. Earnings are withdrawn after age 59½ or are distributed upon your disability or death.	Contributions are **not** taxed upon withdrawal, but earnings are taxable.
MAY BE SUITABLE IF YOU...	Want to save on taxes today and expect to be in a lower tax bracket in retirement.	Want the maximum amount of tax-free money available in retirement; expect to be in a higher tax bracket in retirement.	Want tax-free money available in retirement; expect to be in a higher tax bracket in retirement.

*** Note:** If you want to contribute on an after-tax basis, carefully consider the tax benefits available with Roth 401(k) contributions compared to traditional after-tax contributions.

2020 ANNUAL CONTRIBUTION LIMITS

Maximum compensation limit	$285,000
Maximum before-tax and/or Roth 401(k) contributions (excluding catch-up contributions)	$19,500
Maximum contribution limit (including employee contributions, company match/automatic contributions; excluding catch-up contributions)	The lesser of: 100% of eligible pay or $57,000
Maximum before-tax and/or Roth 401(k) catch-up contributions	$6,500
Highly compensated employee (a highly compensated employee is an employee who earned $125,000 or more in 2019, as defined by the IRS)	Before-tax: 22%. After-tax: 6%. Roth 401(k): 22% Combined Maximum Contribution: 22%
Non-highly compensated employee	Refer to the *Summary Plan Description*, viewable on ***Your Gateway***.

Not sure what contribution types are right for you?

For help choosing the best contribution type for your situation, visit ***Your Gateway***.

Need Help Deciding How Much to Save?

It's important to save as much as you can through the Plan. However, if you're like most people, you face a number of competing financial priorities and may not be able to contribute as much as you'd like right away. If that's the case, take advantage of the many tools available through Healthy Wallet to help you look for opportunities to increase contributions over time.

Make saving automatic

One easy way to save more is electing the automatic increase option when you enroll. Your contributions will automatically increase annually by an amount you select until you reach your goal rate. You can choose the month and day of your increase. However, if you make an election in the current month, your first annual increase will occur next year.

Still not sure you can afford to save? Even if you think every dollar in your budget is accounted for, you might be surprised where you can find extra money and how much it can add up to over time, as the table below shows.

FIND MONEY TO SAVE

COMMON PURCHASES AND THEIR PRICE	MORNING COFFEE **$2.50/DAY**	2 MOVIE TICKETS & POPCORN **$29.50/WEEK**	LUNCH OUT EACH WORKDAY **$4.50/DAY**
ANNUAL COST	**$913**	**$1,534**	**$1,170**
INVESTED FOR 30 YEARS	**$89,479**	**$150,340**	**$114,666**

This hypothetical example is for illustrative purposes only. Example assumes monthly contributions made at the beginning of each month into a retirement savings plan and a 7% annual rate of return compounded monthly.

About Company contributions...

The Company match can also be a powerful feature in helping you build your retirement savings. To see if you're eligible for this benefit, please refer to the Summary Plan Description, viewable at ***Your Gateway***. If eligible, be sure to contribute enough to receive the full match, which is free money. Please note that if you're eligible to receive Company automatic contributions, you won't be required to make your own contributions to the Plan in order to receive them.

Step 2: Choose Your Investments

As you decide how and where to invest your contributions in the Plan, there are several questions you can ask yourself to help make your choices.

The first few questions you should ask yourself are:

"How do I intend to use my benefits from the Plan? Will I rely on them as a key source of income in retirement? Or will I use something else?"

Whether you plan to use your money to provide a steady and secure retirement income from the time you retire or you're looking to take a lump-sum payment to buy a retirement home, you'll need to be sure your investing approach can support your goal.

Next you should ask yourself:

"How much time do I have before I need to take my benefits from the Plan?"

If you intend to invest your money over a relatively long period, you may be willing to accept a higher level of uncertainty for some period of time because you'll have time to make up any investment loss you may experience due to a market downturn.

On the other hand, if you'll need to use your money in the near future, you may prefer to choose options that reduce the level of uncertainty with your investment, even if it means giving up potentially higher returns. And of course, while you can't control or time the market — and the investment gains and losses you'll likely experience during the time you're a Plan participant — you can control the amount you contribute. So, be sure you're contributing enough.

The next question you should consider is this:

"Now that I know what I want to do with my benefits and how long I have until I will take my money from the Plan, am I comfortable directing my contributions?"

To help answer this question, you may need to think about what type of investor you are by considering these additional questions. There are no right or wrong answers:

1. *"Do I have the desire to take a 'hands-on' approach to investing by customizing my own portfolio and selecting my own mix of investment options?"*
2. *"Am I comfortable deciding how much to invest in each option and making decisions to buy or sell?"*
3. *"Do I have the time and knowledge to sufficiently monitor my own investments and periodically make changes as I get closer to retirement?"*

If you answered "no" to any of these questions, you may decide you would be more comfortable letting a professional manage your portfolio for you. If you answered mostly "yes," you may prefer to manage your Plan account on your own. It's your choice.

Depending on your investment know-how and risk tolerance, you can use any one or a combination of the following ways to determine how to invest your savings:

1. LET A PROFESSIONAL MANAGE IT FOR YOU

Using the Lifetime Income Strategy or Target Retirement Funds

The Lifetime Income Strategy and the Target Retirement Funds offer "built-in" diversification within a single investment option by investing in a portfolio that includes a diversified mix of stocks and bonds appropriate for a retirement age of 65.

Over time, the asset allocation manager automatically adjusts your portfolio for you so your investment mix makes sense for your age. This means that, as you move closer to retirement, the portfolio allocation adjusts to manage your investment risk. Additionally, the Lifetime Income Strategy incorporates an insurance component to provide a steady stream of secure retirement income for life. If you choose to invest in the Target Retirement Fund, you must also pick the one that's right for you by electing the one closest to the year in which you expect to retire (or the year in which you anticipate drawing on your retirement account).

2. DO IT YOURSELF

Using eight core options and UTC stock

You can mix and monitor the core funds to achieve diversification among several asset classes. When creating your own investment strategy, it's important to consider a number of factors, including your:

- **Time horizon until retirement.** More aggressive investments may be appropriate if retirement is still far away and you have time to recover from market losses. More conservative investments may be appropriate if retirement is approaching, since they may lessen the negative impact a market downturn could have on your savings.
- **Tolerance for investment risk.** If you can tolerate stock market fluctuations for the chance to earn greater investment returns, more aggressive investments may be appropriate. If your worries about losing money outweigh your desire to pursue potentially higher returns, more conservative investments may be appropriate.
- **Savings goals.** If you need to accumulate a sizable retirement nest egg, investing in more aggressive investments that can produce a higher return may be appropriate. If you're closer to reaching your retirement goals, more conservative investments that can help reduce risk may be appropriate.

3. DO IT YOURSELF WITH MORE CHOICE

Using a mutual fund brokerage window (at an additional cost)

The mutual fund brokerage window, which provides access to more than 8,000 funds, is designed for those with very specific investment views. It may be attractive to you if you're an experienced investor looking for a wider range of options from which to choose and you want to research and monitor your investments on your own. It's important to know that the brokerage window costs more and often carries additional investment risk. Specifically, you'll pay a $16 quarterly maintenance fee for access to the program.
In addition, many of the mutual funds available are actively managed and carry higher investment management fees than the Plan's low-cost, core investment options. Some are also subject to transaction fees. Please carefully consider the additional costs and risks before investing in the brokerage window.

Stay Balanced

Once you choose the investment strategy that's best for you, we encourage you to review it regularly, especially anytime your personal situation changes.

What is diversification?

The Plan offers a broad selection of investment options and asset classes, providing you the opportunity to manage investment volatility and risk by diversifying your investments. Diversification means balancing your risk by choosing different investment options to help make your savings less vulnerable to declines in any single asset class or stock. Investment professionals agree that ***diversification is a risk reduction strategy***.

Three Approaches at a Glance

CHOICE 1: Let a Professional Manage It for You	CHOICE 2: Do It Yourself	CHOICE 3: Do It Yourself With More Choice
AGE-BASED • Lifetime Income Strategy **TARGET DATE-BASED** • Target Retirement Maturity Fund • Target Retirement 2010 Fund • Target Retirement 2015 Fund • Target Retirement 2020 Fund • Target Retirement 2025 Fund • Target Retirement 2030 Fund • Target Retirement 2035 Fund • Target Retirement 2040 Fund • Target Retirement 2045 Fund • Target Retirement 2050 Fund • Target Retirement 2055 Fund • Target Retirement 2060 Fund • Target Retirement 2065 Fund	**STABLE VALUE** • Income Fund **BOND** • Government/Credit Bond Fund **EQUITY** • Equity Fund (S&P 500) • Small Company Stock Fund • International Equity Fund • Emerging Markets Equity Fund **ALTERNATIVE ASSET ALLOCATION** • Multi-Market Risk Parity Fund **SUPPLEMENTAL STRATEGY** • Inflation Sensitive Assets Fund **SINGLE STOCK FUND** • UTC Common Stock Fund	**BROKERAGE WINDOW** • Mutual Fund Brokerage Window

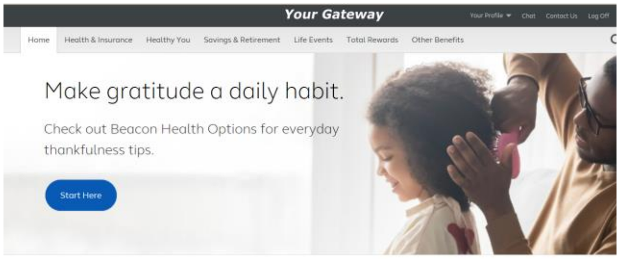
Investment education and planning tools

To obtain Morningstar® profiles for each investment option, review fund performance or access investment education and planning tools, visit ***Your Gateway***.

Step 3: Enroll and Manage Your Account Online

Now that you've decided how much to save and determined your investment approach, you're ready to enroll on ***Your Gateway***.

Your Gateway is an integrated, personalized website designed to give you a comprehensive experience — from giving you the ability to more quickly see how you're spending your benefit dollars to helping you understand the total value of your rewards with UTC.



To Get Started

From the ***Your Gateway*** Home Page below:

- Enroll in the Plan

  Click on **Start Saving**. Elect the Plan default contribution and investment elections via the **Quick Enrollment** option or choose **Advanced Enrollment** to enter your contribution and investment elections.

- Elect a beneficiary
  - From the **Home Page**, select the **Savings & Retirement** tab. Then click on **Beneficiaries** from the **My Account Essentials** menu.
  - **Update existing beneficiary information.** Click on your beneficiary's name and make changes. To update a beneficiary designation percentage, select **Choose Beneficiaries**. Then, select **Primary** or **Contingent** and assign a benefit percentage. Review and select **Submit**.
  - **Add a new beneficiary.** Select **Add Beneficiary**. Then, verify your marital status and add or update information if applicable. Next, choose a beneficiary type and enter beneficiary information. Finally, select **Primary** or **Contingent** and assign a benefit percentage. Select **Continue**, then **Review** and select **Submit.**

Visit ***Your Gateway*** through **empowerU** or via the internet at **www.yourtotalrewards.com/utc**.

Remember:

You'll be automatically enrolled in the Plan, unless you enroll on your own or opt out within 45 days of your hire date. If you're automatically enrolled in the Plan, 6% of your before-tax eligible earnings will be deducted from your pay each pay period and invested in the Lifetime Income Strategy.[1] Also, this contribution rate will automatically increase by 1% of your eligible pay each year in April until it reaches 10%. You can change these default elections at any time after being automatically enrolled in the Plan.

[1] While starting to save for retirement is important for your financial future, during the first 90 days after automatic contributions are taken from your pay, you can initiate a withdrawal by calling AccessDirect. The withdrawal will be subject to federal and state income taxes, but not the 10% early withdrawal penalty that normally applies if you are under age 59 1/2.

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