

SAFE HARBOR PRIVACY NOTICE

EFFECTIVE: July 1, 2005

This Notice sets forth the principles followed by United Technologies Corporation and its operating companies, subsidiaries, divisions or groups, and their predecessors and successors, located in the United States (hereinafter "UTC") with respect to transfers of employee personal information (human resources data) to the United States from locations within the Member States of the European Economic Area ("EEA"). UTC adheres to the U.S. Department of Commerce's *Safe Harbor Principles* approved by the European Commission (Decision 520/2000/EC, dated 26 July 2000).

As used in this Notice:

- "Employee personal information" means data relating to an identified or identifiable employee of UTC that is maintained as an electronic record or in a relevant filing system. The definition covers information that, when associated with an employee, can be used to identify him or her (for example: address, telephone number, gender, birth date, payroll records, telephone and telecommunication records, performance evaluations). Anonymous information used for statistical, historic, and scientific or other purposes is excluded.
- "Sensitive employee information" is employee personal information that constitutes employee medical records or identifies racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, or sex life.
- "Agent" means any third party that uses employee personal information provided by UTC to perform tasks on behalf of and under the instructions of UTC.

SCOPE

This Notice applies to all transmissions of UTC employee personal information in whatever format (including electronic, paper, or verbal) to the United States from locations within the EEA, whether via telecommunications lines, computer lines, or in hard copy, whether provided by employees, generated by UTC and its operating companies, or otherwise provided by agents or third parties.

COLLECTION, USE, AND RETENTION OF EMPLOYEE PERSONAL INFORMATION

UTC collects, uses, and retains employee personal information only if such information is necessary and appropriate for legitimate business and legal purposes.

When UTC collects employee personal information directly from individuals in the EEA, it will inform them about the purposes for which it collects and uses personal information about them, the types of non-agent third parties to which UTC discloses that information, and the choices and means UTC offers for limiting its use and disclosure. Notice will be provided in clear and conspicuous language when individuals are first asked to provide such information to UTC, or as soon as practicable thereafter, and in any event before UTC uses the information for a purpose other than that for which it was originally collected.

When UTC receives employee personal information from its subsidiaries, affiliates, agents and other entities in the EEA, it will use such information in accordance with the notices provided by such entities and the choices made by the individuals to whom such information relates.

Individual employee personal information is used by and shared among UTC divisions, subsidiaries, and affiliates, agents (e.g., IT and other professional and nonprofessional services, benefit plan sponsors and administrators, etc.), applicable government organizations and agencies, and third parties as permitted or required by law, regulation, or court order.

Uses include:

- Management and employee communications and notices;
- Maintenance of officer and employee biographies, curriculum vitae, and similar information;
- Emergency contacts;
- Global enterprise headcount and demographics;
- Career development, performance feedback, and progression;
- Staffing planning;
- Succession planning;
- Compensation and benefits;
- Establishment and administration of employee benefits and benefit plans;
- Rewards and recognition;
- Travel and expense reimbursement, including travel and/or credit card administration;
- Training;
- Relocation;
- Tax reporting and withholdings;
- Payroll administration, including deductions, contributions, etc.;
- Industrial relations, including grievance proceedings;
- Identification of persons via photographs or other likenesses;
- Planning and provision of health services, including drug screening, processing of workers' compensation or similar health and safety programs;
- Personal security, including access controls and security for computer and other systems
- Reporting and statistical analyses;
- Related personnel transactions;
- Legal and regulatory reporting and other requirements, including workplace environment, health and safety reporting and administration;
- Visas, licenses and other right-to-work authorizations;
- Import and export controls;
- Internal and external investigations, including business practices reviews; contacts with UTC Ombuds and DIALOG programs; internet, intranet, e-mail, and other electronic monitoring; law enforcement and other government inquiries; and
- Business planning, including prosecution of mergers, acquisitions, and divestitures.

CHOICE

UTC offers individuals the opportunity to choose (opt-out) whether their employee personal information may be (a) disclosed to a non-agent third party, or (b) used for a purpose other than the purpose for which it was originally collected or subsequently authorized. UTC may occasionally inform employees of offers available from selected non-agent third parties; however, UTC will not transfer employee personal information to such parties without the employee's consent.

For sensitive personal information, UTC gives individuals the opportunity to affirmatively and explicitly consent (opt-in) prior to (a) disclosure of the information to a non-agent third party, or (b) use of the information for a purpose other than the purpose for which it was originally collected or subsequently authorized. Individuals who elect to opt-in will be notified of the process to follow in exercising this choice.

DATA INTEGRITY

UTC will use employee personal information only in ways that are compatible with the purposes for which it was collected or subsequently authorized. UTC will take reasonable steps to ensure that personal information is relevant to its intended use, accurate, complete, and current.

TRANSFERS TO AGENTS

UTC obtains assurances from its agents that they will safeguard employee personal information consistently with this Notice. Examples of appropriate assurances include: a contract, agreement, or relevant provision obligating the agent to provide at least the same level of protection as is required by the relevant *Safe Harbor Principles*; *Safe Harbor* certification by the agent; or being subject to a European Commission adequacy finding. Where UTC has knowledge that an agent is using or disclosing employee personal information in a manner contrary to this Notice, UTC will take reasonable steps to prevent or stop the use or disclosure.

ACCESS AND CORRECTION

Upon request, UTC will grant individuals reasonable access to their employee personal information. In addition, UTC will take reasonable steps to permit individuals to correct, amend, or delete information that is demonstrated to be inaccurate or incomplete. For example, the Employee Self-Service ("ESS") system allows employees to review their individual records and update and correct such records as appropriate.

SECURITY

UTC maintains systems and procedures to assure the security and integrity of employee personal information, whether provided by employees, generated by UTC and its operating companies, or otherwise provided by agents or third parties.

UTC will take reasonable precautions to protect personal information in its possession from loss, misuse, and unauthorized access, disclosure, alteration, or destruction. Pursuant to UTC Information Technology Security Policies, UTC computer networks and systems, including ESS and its Internet- and Intranet-based applications, are designed to protect employee personal information from unauthorized access, loss, disclosure, or use. Employee personal information is made available within UTC only to those persons who possess a business need-to-know.

UTC sees the Internet and the use of other technologies as valuable tools for communicating and interacting with employees, customers, business partners, and others. UTC recognizes the importance of maintaining the privacy of information collected online and has created a specific Internet Privacy Policy (the "IPP") governing the treatment of employee personal information collected through web sites that it

operates. With respect to employee personal information that is transferred from the EEA, the IPP is subordinate to this Notice.

ENFORCEMENT

UTC conducts assurance reviews in the form of periodic audits and surveys of human resources managers and others who manage employee personal information. This is to verify adherence to this Notice and to support annual *Safe Harbor* compliance certifications to the U.S. Department of Commerce. Any employee who violates this Notice is subject to disciplinary action, up to and including termination of employment.

CONTACT INFORMATION & DISPUTE RESOLUTION

Any questions or concerns regarding this Notice and its application should be directed to the UTC Vice President, Business Practices, at the address given below.

UTC will investigate and attempt to resolve questions, complaints, and disputes in accordance with the principles contained in this Notice. For complaints that cannot be resolved by UTC, UTC participates in the dispute resolution procedures of the panel established by European data protection authorities to resolve disputes pursuant to the *Safe Harbor Principles*. UTC will comply with specific actions ordered by the panel when necessary to comply with the *Safe Harbor Principles*.

Questions or comments regarding this Notice may be submitted to the UTC Vice President, Business Practices by regular mail or e-mail as follows:

United Technologies Corporation
1 Financial Plaza
Hartford, Connecticut 06010
United States of America
Attention: Business Practices, Mail Stop 524-00
bpo@corphq.utc.com

CHANGES TO THIS NOTICE

This Notice may be amended from time to time as needed to conform to the *Safe Harbor Principles*. Appropriate public notice will be given concerning such amendments.