



Regulatory Alert: Conflict Minerals Reporting Requirements

This communication is to inform you of Federal legislation that may significantly impact industry and suggested actions to take to manage the impact of this legislation. We are requesting that all of our Tier 1 suppliers flow this communication out to their suppliers and request that they then forward it to every level of their supply chain. Companies should begin preparing now by determining which materials, parts and assemblies they purchase or manufacture contain one or more of the “Conflicts Minerals” identified below.

In July 2010, President Obama signed into law the Wall Street Reform and Consumer Protection Act, also known as the Dodd-Frank Act (the “Act”). Although the focus of the Act is financial market regulatory reform, it also imposes new requirements relating to “Conflict Minerals.” Specifically, Section 1502 of the Act imposes Securities and Exchange Commission (SEC) reporting requirements upon publicly-traded companies whose products contain metals derived from minerals defined as “Conflict Minerals,” identified in the law as tantalum, tin, tungsten and gold.

The new reporting requirements reflect congressional concerns that revenues obtained from the mining and transportation of “Conflict Minerals” help finance human rights violations in the Democratic Republic of Congo (DRC) and surrounding countries, resulting in a humanitarian crisis.

The legislation requires publicly traded (i.e., SEC-registered) companies to report annually to the SEC on: (a) their worldwide use of “Conflict Minerals” in products they manufacture or contract to manufacture; and (b) actions taken to identify the use of “Conflict Minerals,” in their supply chains, including identifying the country of origin for any “Conflict Minerals.” Companies with supply chains that include “Conflict Minerals” from the DRC region also will be required to determine whether the “Conflict Minerals” are “conflict free” (that is, do not directly or indirectly finance armed groups through mining or mineral trading in the DRC Region). The SEC is currently finalizing a regulation that will detail how publicly-traded companies must comply with Section 1502. Please note that these requirements apply to both U.S. and non-U.S. suppliers.

Once the final regulations are released, publicly-traded companies will be required to report on “Conflict Minerals” in their products that originate in the DRC or the nine adjoining countries for the first fiscal year following the year in which the SEC final regulation is issued.

As a result, you may be asked to assist in obtaining source information from smelters and refiners of minerals in your supply chain to determine whether the materials or products contain “Conflict Minerals” that originate in the DRC or adjacent countries. Annual submissions to the SEC may require an independent, third-party audit and, therefore, proper documentation of information related to your supply chain is critical.

To summarize and reinforce some important potential compliance impacts, your company should consider the following:

- Companies may be asked to trace products that contain tantalum, tin, tungsten and/or gold through their supply chain to some extent.
- Non-SEC registered companies who supply directly or indirectly to SEC registered companies may be asked to comply with the regulations.
- Independent, third party audits proving company compliance may be required.

According to the Organization for Economic Co-operation and Development (OECD), there are some actions all suppliers can take now to prepare for this requirement including: reviewing the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” for possible implementation: <http://www.oecd.org/dataoecd/62/30/46740847.pdf>.

The Regulations are expected to come out in 2012. Implementation of the SEC’s final rule may be challenging, so we want to ensure that our supply chain is aware of this situation in advance of the effective requirements and reporting date.

To learn more about the legislation and “Conflict Minerals,” please consult the SEC website: <http://www.sec.gov/news/press/2010/2010-245.htm>.

For more information, please see:


The Electronics Industry Citizenship Coalition (EICC) is a coalition of the world’s leading electronics companies working together to improve efficiency and social, ethical, and environmental responsibility in the global supply chain: <http://www.eicc.info>.

The Global e-Sustainability Initiative (GeSI) is uniquely dedicated to information and communication technologies (ICT) sustainability through innovation: <http://www.gesi.org>.

If you have any questions concerning “Conflict Minerals” related to United Technologies or its Business Units, please e-mail cminfo@utc.com.



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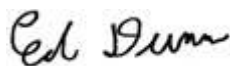
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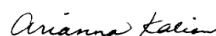
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