

INDIANAPOLIS PLANT CLOSING AGREEMENT

Having had a full opportunity to review and discuss the decision to, and the effects of, the closing of the Indianapolis, Indiana plant and distribution center of Carrier Corporation, and engaging in good faith bargaining regarding the same, the parties agree as follows:

Eligibility

Only regular, full-time, active employees, including those on layoff or an approved leave of absence at the signing of this agreement will be eligible for benefits outlined below. Additionally, employees who complete their probationary period after the signing will be eligible for benefits outlined below. Employees that have not completed their probationary period will be eligible for participation in the performance incentive program from their date of hire through the full month prior to separation. Employees who elect to receive such benefits at the time of separation must waive their recall rights and will be terminated. Employees must remain working until permanently separated in order to receive benefits in this package. No employee may receive benefits outlined in this agreement more than once. Employees who meet these criteria are referred to as "Eligible Employees."

Employees on a qualifying leave of absence will be separated in seniority order.

Severance Pay

An eligible employee will receive severance pay equal to one week of pay for each full year of service at the employee's straight-time wage rate held by the employee as of April 25, 2016, or the highest classification and rate held as of the date of separation. Employees will receive their payment in a lump sum less required withholdings. For purposes of this calculation, "one week of pay" means 40 hours pay at the employee's regular base rate in effect at the time the employee is permanently laid off. Severance will be payable within two weeks of separation.

One-Time Payment

Eligible employees will receive a \$2500 lump sum payment less required withholdings. This one-time payment is payable only if the employee satisfies the criteria as outlined in "Eligibility." If the criteria are satisfied, payment will be made within two weeks of separation.

Performance Bonus

Effective July 1, 2016 active employees are eligible to accrue each month the following bonus amounts:

- No Cardinal Rule violations - \$50
- Schedule Attainment 95% or greater - \$50
- Quality FPY 25,000 PPM – \$50
- On Time Delivery 95% or greater - \$50
- Achieve all four -\$50

All metrics are measured on a plant-wide basis

These amounts will accrue monthly. However, this bonus payment is payable only if the employee satisfies the criteria as outlined in "Eligibility." If the criteria are satisfied, payment will be made within two weeks of separation.

Pension Accumulation

Employees who are separated as a result of the plant closure announced on February 10, 2016, will have up to one year added to his/her service for pension calculation purposes in accordance with the UTC Represented Pension plan for employees of the Indianapolis plant. The accumulation of time stops at the earlier of one (1) year or the commencement of pension benefits.

Medical and Dental Benefits

An Eligible employee will receive continued medical and dental coverage for six (6) months past the date he/she is permanently separated at no cost to the employee.

Eligible employees may continue their benefit coverage for an additional eighteen (18) months under COBRA and pay the appropriate premium.

Vacation Pay

Vacation pay will be paid in accordance with Article XIV of the Labor Agreement.

401K Savings Plan

If an eligible employee's Savings Plan balance is less than \$1000, then he/she will receive a lump-sum payment of the entire amount of the savings plan accounts, less applicable taxes and withholdings, at the end of the quarter in which the employee terminates employment. He/she can receive this distribution earlier or request to roll the money into an IRA by calling the UTC Service Center.

Life Insurance

Coverage will continue for the length of time the eligible employee continues his/her medical benefits. Participants may, within 31 days coverage ends, convert all or part of his/her life insurance coverage to any type of individual coverage offered by the insurance company. The cost will depend on the type and amount of insurance chosen and the employee's age.

Life Insurance Conversion Option

If your coverage ends, you may convert all or part of your life insurance, optional supplemental life insurance, dependent life insurance and AD&D insurance to any type of individual coverage offered by the insurance company. Your cost will depend on the type and amount of insurance you choose and its rate for your age when you make the conversion. (You may not convert your

optional supplementary life insurance if it ends because you have stopped making contributions.) If your coverage ends because the group contract is discontinued, the amount you may convert will be limited by the terms of the group contract. To convert, you must apply in writing to the insurance company within 62 days after your life insurance coverage ends. If you become eligible for coverage under any group life policy during this 62-day period you may only convert the difference between your current coverage and your new group coverage. No medical examination will be required.

If you die during this 62-day period, your life insurance and optional supplementary life insurance amount in effect on your last day of work will be paid to your beneficiary.

AD&D Conversion Option

If your AD&D coverage ends before your 70th birthday, you may convert to an individual policy underwritten by the Life Insurance Company of North America, a Cigna company. Coverage may be elected in \$25,000 increments, up to a maximum of \$250,000. Your cost will depend on the amount of coverage you choose and whether you elect to make annual, semi-annual or quarterly payments. Contact the UTC Benefits Center for details on converting your AD&D coverage.

Educational Assistance

Eligible Employees may participate in the UTC Employee Scholar Program (ESP) for four (4) years from date of separation, under the terms of the ESP in effect at the time of the eligible employee's request to participate in the ESP.

Note: Consistent with ESP Policy; post-employment participation is on a reimbursement basis.

Technical Training/Relocation

Following separation, the company will reimburse employees for up to \$5,000 for books and tuition upon completion of a vocational certificate program or GED program through an accredited institution. Such programs must be successfully completed within two years of the date of separation to be eligible for reimbursement. Employees must submit proof of completion and proof of payment to be eligible for reimbursement.

Employees transferring to another UTC facility within one year of the date of separation may elect to receive a \$5000 relocation stipend rather than vocational training assistance. Employees must submit proof of employment to be eligible for reimbursement.

Trade Adjustment Assistance Act (TAA)/Unemployment

The company will make application for and seek approval for TAA benefits related to the closure. Further, the company and the union mutually agree any decision concerning TAA benefits rests solely with the appropriate governmental agency.

The company, where practicable, will cooperate with the state unemployment service, area business organizations, and other public and private agencies to provide transition services and job placement assistance.

Arbitration

Any disputes regarding this agreement will be subject to arbitration. The arbitrator shall have no authority to modify, amend, delete or add to any provisions of this agreement. Arbitration proceedings will be handled under the arbitration provisions of the current collective bargaining agreement.

The closure agreement is incorporated by reference into the current collective bargaining agreement between the parties. Any conflict arising between the collective bargaining agreement and the closure agreement, the closure agreement will prevail.

Voluntary Separation

The Company will allow employees to volunteer for permanent separation and be eligible for the benefits set forth in this Plant Closing Agreement. The Company reserves the right to deny voluntary requests if the Company determines that a volunteer possesses specific skill(s) that cannot be readily replaced.

Letters of Employment Verification

The company will provide each employee with a letter verifying length of employment, last position held, rate of pay, statement concerning the facility closure at the time of separation.

Transferring within UTC

The Company will, contingent upon no objection from the collective bargaining representative at the receiving plant[s], and/or, consistent with UTC policy and governing plan provisions provide the following to employees who are successfully re-employed at a UTC facility within a year from date of separation:

Pension credited service will be applied in accordance with the Pension plan, if applicable, at the new location

The waiver of any “waiting period” for insurance coverage and/or holiday pay

The application of “company” service toward vacation eligibility under the applicable collective bargaining agreement at the new location

Collective Bargaining Agreement

The Collective Bargaining Agreement between Carrier Corporation and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union on behalf of Local Union 1999 dated April 28, 2014, is renewed according to the terms of the attached "Company's Offer" and shall remain in effect until such time all bargaining unit employees are permanently separated as result of the Indianapolis plant closing.

The company agrees if within a period of two years after moving production from Indianapolis, chooses to return this work back to Indianapolis; it shall recognize and bargain with the Union on behalf of all production and maintenance employees.

For the Company:

For the Union:

Date: _____

Date: _____