

UNITED TECHNOLOGIES CORP /DE/
Form PRE 14A
March 09, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☒ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

United Technologies Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notice of 2018

**ANNUAL MEETING
OF SHAREOWNERS**

and Proxy Statement

COMPANY AWARDS IN 2017

**Among the World's Most
Respected Companies**

– *Barron's*

**Among the World's
Greenest Companies**

– *Newsweek*

**Among the Most Admired
Aerospace and Defense Companies**

– *Fortune*

**Among the Best Places
to Work for LGBTQ**

– *Human Rights Campaign Foundation
Corporate Equality Index*

**Rated A- for Companies
Responding to Climate Change**

– *Carbon Disclosure Project*

**Among the Best Places
to Work for Latinas**

– *Latina Style Magazine*

**Among the Best Places to Work for
Employment Disability Inclusion**

– *Disability Equality Index*

**Among Noteworthy Companies
for Diversity Practices**

– *DiversityInc*

**All-America Executive Team:
Most Honored Company in
the Aerospace and Defense
Electronics Sector**

– *Institutional Investor*

**Among the Best Investor Relations
Programs in the Aerospace and
Defense Electronics Sector**

– *Institutional Investor*

March 19, 2018

Notice of 2018 Annual Meeting of Shareowners

Meeting Information

**DATE AND
TIME:**

LOCATION:

April 30, 2018
8:00 a.m. Eastern
Time
(doors open at 7:30
a.m.)

UTC Center for Intelligent
Buildings
13995 Pasteur Boulevard
Palm Beach Gardens,
Florida 33418

Your vote is very important. Please submit your proxy or voting instructions as soon as possible.

Agenda

Election of the Twelve Director Nominees Listed in the Proxy Statement.

Advisory Vote to Approve Executive Compensation.

Approve the UTC 2018 Long-Term Incentive Plan.

Appoint PricewaterhouseCoopers LLP to Serve as Independent Auditor for 2018.

Approve an Amendment to the Restated Certificate of Incorporation to Eliminate Supermajority Voting for Certain Business Combinations.

Consideration of the Shareowner Proposal Set Forth in the Proxy Statement, if Properly Presented.

Other Business, if Properly Presented.

Who may vote:

If you owned shares of UTC Common Stock at the close of business on March 2, 2018, you are entitled to receive this notice of the Annual Meeting and to vote at the meeting, either in person or by proxy.

How to attend:

Please request a ticket in advance by following the instructions on page 81.

Please review your Proxy Statement and vote in one of the four ways described in the box below.

By order of the Board of Directors,

Peter J. Graber-Lipperman

Corporate Vice President, Secretary & Associate General Counsel

Please refer to the enclosed proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.

THE INTERNET	BY TELEPHONE	BY MAIL	IN PERSON
<i>Visit the website on your proxy card.</i>	<i>Call the telephone number on your proxy card.</i>	<i>Sign, date and return your proxy card in the enclosed envelope.</i>	<i>Attend the Annual Meeting in Palm Beach Gardens, Florida. See page 81 for instructions on how to attend.</i>

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Important Notice Regarding the Availability of Proxy Materials for the Shareowner Annual Meeting to be held on April 30, 2018. This Notice of the 2018 Annual Meeting of Shareowners and Proxy Statement, and UTC's 2017 Annual Report are both available free of charge at www.proxyvote.com. References in either document to our website

are for the convenience of readers, and information available at or through our website is not a part of nor is it incorporated by reference in the Proxy Statement or Annual Report.

The Board of Directors of United Technologies Corporation (“UTC,” the “Company” or the “Corporation”) is soliciting proxies to be voted at our 2018 Annual Meeting of Shareowners on April 30, 2018, and at any postponed or reconvened meeting. We expect that this Proxy Statement will be mailed and made available to shareowners beginning on or about March 19, 2018. At the meeting, votes will be taken on the six matters listed in the Notice of Meeting.

United Technologies Notice of 2018 Annual Meeting of Shareowners and Proxy Statement

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**PROXY
Summary**

ANNUAL MEETING AGENDA

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Election of Directors

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BOARD RECOMMENDATION: **FOR**
EACH DIRECTOR NOMINEE

PROPOSAL 2:

**Advisory Vote to Approve Executive
Compensation**

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BOARD RECOMMENDATION: **FOR**

PROPOSAL 3:

**Approve the UTC 2018 Long-Term
Incentive Plan**

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BOARD RECOMMENDATION: **FOR**

PROPOSAL 4:

**Appoint PricewaterhouseCoopers
LLP to Serve as Independent
Auditor for 2018**

PAGES 76-77

BOARD RECOMMENDATION: **FOR**

PROPOSAL 5:

**Approve an Amendment
to the Restated Certificate of**

Incorporation

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BOARD RECOMMENDATION: **FOR**

PROPOSAL 6:

Shareowner Proposal

PAGES 79-80

BOARD RECOMMENDATION: **AGAINST**

“Our investments in purposeful innovation and our focus on execution, cost reduction and disciplined capital allocation are yielding outstanding results.”

Greg Hayes, Chairman & CEO

The summary below highlights selected information in this Proxy Statement. Please review the entire Proxy Statement and UTC’s 2017 Annual Report before voting your shares.

2017 Performance Highlights

Our investments in purposeful innovation and our focus on execution, cost reduction and disciplined capital allocation are yielding outstanding results. We delivered solid financial performance in 2017. Sales, adjusted earnings per share (“EPS”) and free cash flow exceeded our expectations. We saw 5% sales growth in 2017, which included organic sales of 4% — our strongest since 2014. Importantly, each of our businesses contributed to this organic sales growth, with Pratt & Whitney leading the charge with sales and organic growth of 9%. Additionally, we made substantial strategic investments and fully funded our U.S. qualified pension plans (as of December 31, 2017).

(1) See Appendix A on pages 90-91 for more information regarding these non-GAAP financial measures.

(2) “GAAP cash flow” is cash flow from continuing operations while “Non-GAAP cash flow” is free cash flow. See Appendix A for more information.

Strategic and Operational Highlights

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We announced the proposed acquisition of Rockwell Collins, which upon close (expected in the third quarter of 2018) will merge with our UTC Aerospace Systems (“UTAS”) business to create Collins Aerospace Systems.

UTC Digital Accelerator launched in Brooklyn, New York.

Pratt & Whitney met its 2017 shipment targets for the Geared Turbofan (“GTF”) engine.

Our commercial businesses gained market share and generated solid organic growth. Otis delivered its best year of organic sales growth since 2014. UTC Climate, Controls & Security (“CCS”) generated 6% sales growth, including 4% organic growth, and launched over 100 new products in 2017.

Shareowner Returns

	19%	
\$2.1 billion	total	\$1.4 billion
dividends paid	shareowner	share buybacks
	return	

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PROXY SUMMARY

Governance and Board Highlights

UTC is committed to strong corporate governance practices, which the Board believes are critical to achieving long-term shareowner value and which strengthen Board and Management accountability. The following are highlights of our governance framework:

INDEPENDENT AND ENGAGED BOARD

92% of our director nominees are independent

All standing committees except Finance are comprised entirely of independent directors

98% overall attendance by directors at ten Board meetings in 2017

99% overall attendance by directors at committee meetings in 2017

75% or more of the Board and applicable committee meetings were attended by each director in 2017

100% director attendance at the 2017 Annual Meeting

PROACTIVE GOVERNANCE IN 2017

✦ Amended Bylaws to allow shareowner action by special meeting

✦ Amended Corporate Governance Guidelines to explicitly provide for annual self-evaluation of individual directors

Increased share ownership requirements for CFO and business unit presidents

REFRESHED AND DIVERSE BOARD

+5 new independent directors since 2016

-4 independent directors retired since 2016

63% of independent director nominees have served < 9 years

45% of independent director nominees are diverse

BOARD OVERSIGHT

Regularly reviews the Company's strategic direction and priorities

Director and CEO succession planning and management development

Government relations activities, including those of UTC's political action committee

Regularly monitors significant risks

ACCOUNTABLE BOARD

- Annual election of all directors

- Robust Lead Director role

- Proxy access

Shareowner right to act by written consent

Shareowner right to call a special meeting

DIVERSITY IN BACKGROUND OF THE DIRECTOR NOMINEES

current or former CEOs	women and people of color	worked outside the United States	current or former CFOs or Chief Investment Officers	with STEM degrees	worked in government
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DIVERSITY IN TENURE OF THE NOMINEES

We believe that diversity in experience and perspective are of the utmost importance for reaching sound decisions that drive shareowner value.

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	Director Since	Other Public Boards	Skills and Expertise				Knowledge of Company/Industry	Risk Management /Oversight	Senior Leadership	Tech Innovation
			Financial	Government	International					
LLOYD J. AUSTIN III General, U.S. Army (Retired) and Former Commander of U.S. Central Command	2016	1		n	n		n	n		
DIANE M. BRYANT Chief Operating Officer, Google Cloud	2017	0	n				n		n	
JOHN V. FARACI Retired Chairman & Chief Executive Officer, International Paper	2005	2	n		n	n		n		
JEAN-PIERRE GARNIER Chairman, Indorsia Pharmaceuticals Ltd.	1997	2			n	n		n	n	

**GREGORY J.
HAYES**

Chairman &
Chief Executive
Officer, United
Technologies
Corporation