

Government Relations

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A. SUMMARY

Otis Worldwide Corporation's political activity and advocacy directed at United States federal and state/local governments, foreign governments, and international governmental organizations and their officials is overseen by Otis' global Government Relations function in conjunction with local or regional resources.

B. APPLICABILITY

Otis Worldwide Corporation, its subsidiaries, divisions, and other controlled business entities and operations ("**Operating Units**"), and all directors, officers, and employees thereof, worldwide (collectively "**Otis**").

C. DEFINITIONS

"**CPM**" means Corporate Policy Manual. Other Bold terms are defined in Exhibit 1.

D. POLICY

1. The global Government Relations function ("**Government Relations**") shall provide guidance and/or oversight in accordance with Exhibit 2 for advocacy on Otis's behalf on legislative, regulatory, or policy matters directed at any Government (U.S. federal and state/local and non-U.S.) or international governmental organizations, including Lobbying and visits of elected officials and political candidates to Otis facilities. All Lobbyists shall be selected, screened, retained, monitored, and managed in accordance with CPM 48D: Lobbyists. The Head of Government Relations shall oversee all Lobbyists and Otis employees undertaking Lobbying.
2. All political activity, Political Contributions, and contributions to support events sponsored by Government offices (e.g., national holiday commemorative functions) shall comply with Exhibit 2.
3. All of the foregoing activities shall be pursued and undertaken in strict conformity with the standards articulated in The Otis Absolutes, which sets out the principle that Otis will comply with all national, state and local laws regulating Otis' participation in political affairs, including limitations on contributions to political parties, national political committees, and individual candidates as well as CPM 4: Business Ethics and Conduct in Contracting with the United States Government and CPM 48: Anti-Corruption.
4. References are made to: CPM 4: Business Ethics and Conduct in Contracting with the United States Government; CPM 11: Philanthropic Donations; CPM 48: Anti-Corruption; CPM 48A: Gifts; CPM 48B: Sponsoring Third Party Travel; CPM 48D: Lobbyists.

E. RESPONSIBILITIES

The Head of Government Relations, in consultation with the VP, Litigation & Policy, is responsible for interpreting this Policy and reviewing it biennially. The VP, Chief Accounting Officer will incorporate controls and testing procedures in applicable common controls matrices, and the VP, Internal Audit, will conduct periodic audits (including Compliance Audits (see CPM 34: Global Ethics and Compliance Program)), in each case to assess compliance at the Operating Unit level. Within the regular scope of its annual financial audits, Otis' independent auditor will also review such controls and transactions to ensure compliance.

EXHIBIT 1: DEFINITIONS

Affiliate means an Entity:

- that exercises Control over the referenced Entity; or
- over which the referenced Entity exercises Control; or
- that, together with the referenced Entity, is under common control of another Entity.

Business Gift is defined in CPM 48A: Giving Business Gifts.

Control means the power, directly or indirectly, to:

- vote more than 50% of an Entity's securities having voting power to appoint members of the Entity's governance body; or
- direct or cause the direction of an Entity's day-to-day business decisions and policies, whether through the ownership of voting securities, by contract, or otherwise.

Corrupt Payment is defined in CPM 48: Anti-Corruption.

Entity means any corporation, limited liability company, partnership, sole proprietorship, trust, or similar entity, or other organization, whether or not "for-profit."

Government means any:

- national, regional, local, or other government;
- government-owned or government-controlled companies or entities;
- political parties;
- public international organization (e.g. OECD, United Nations)
- quasi-government agencies entrusted by a Government with a public mission or mandate (e.g., economic development agencies).

Government Official means any:

- employee, officer, or director (whether elected or appointed) of a Government or any candidate for any position therein;
- candidate for political office and party officials
- person acting in an official capacity for or on behalf of a government.

Lobbying means any:

- contact or communication (written or verbal) by or on behalf of Otis with any Government or Government Official, or an Affiliate of or Related Party thereto, for the purpose of advocacy on legislative, regulatory, or policy matters or programs (including the negotiation, award or administration of a U.S. federal Government contract, grant, loan, permit or license) including, without limitation, contact or communication with any:
 - members or staff of the U.S. Congress
 - the President, Vice President or political appointees in the U.S. executive branch
 - general or flag officers in the U.S. military
 - U.S. state and local government legislatures or agencies with regard to legislation, regulations, treaties, policies or programs (including sales activity, or the negotiation, award or administration of a contract, grant, loan, permit or license)
- other activity that falls within the definition of a lobbying or a lobbyist under any U.S. (federal, state or local) or non-U.S. laws or regulations, and the individual or firm undertaking such activities is

expected to discharge obligations (e.g., registration, reporting, etc.) in accordance with such laws or regulations.

For clarity, the determining factor is the nature of contacts, communications, and activities to be undertaken, not the status or affiliation of the individual or firm; Otis employees and Vendors other than Lobbyists may be deemed to have engaged in Lobbying if undertaking one or more of the foregoing activities.

Lobbyist means an existing or prospective Vendor selected or retained by Otis to furnish Lobbying.

Political Contribution(s) means financial or other support by or on behalf of Otis (including via the Otis PAC) to any candidate for Government office (whether elected or appointed) or to any political party or similar Entity organized for the purpose of furthering political advocacy or candidate for Government office, in each case within or outside the U.S.

Related Party means, with regard to:

- an individual, an immediate or extended family member of such individual including, without limitation, parents, siblings, spouses, uncles, aunts, nephews, and nieces
- an Entity, an Affiliate of such Entity.

Sponsored Travel is defined in CPM 48B: Sponsoring Third Party Travel.

Third Party means, with regard to:

- an individual, any individual that is not an employee of Otis or any Affiliate of Otis
- an Entity, any Entity that is not Otis or an Affiliate of Otis (for clarity, for the purposes of this Policy, Company joint venture partners and Vendors, and their respective Affiliates, are Third Parties).

Otis PAC means the Otis Federal Political Action Committee.

Vendor means any current or prospective Third-Party contractor or supplier of materials or services to Otis.

EXHIBIT 2: PROCEDURES AND REQUIREMENTS

A. REGIONAL REPRESENTATIVES

The Head of Government Relations shall oversee the activities of Otis representatives bearing on Otis' legislative, regulatory and policy interests as set forth in this exhibit. Otis representatives who have responsibility for government relations and/or undertake Lobbying shall report directly to their respective Otis supervisors, but have a dotted-line relationship to the Head of Government Relations.

B. STATEMENTS ON SIGNIFICANT PUBLIC POLICY ISSUES

All external statements intended to represent Otis' official position on significant domestic, foreign, or international public policy issues (e.g., environmental, energy, or tax policy, foreign relations, international disputes, Government subsidies) shall be approved in advance by the Head of Government Relations (or designee) and EVP, Chief General Counsel (or designee).

Sufficient advance notice of the proposed statement shall be provided to enable the Head of Government Relations and VP, Litigation & Policy to account for the interests of relevant stakeholders (e.g., Otis, shareholders, employees, etc.) that are or could be affected by the issue and statement. Such statements may include, but are not limited to: Otis support for or affiliation with an industry association letter or study on a public policy; comments to be made on a public policy in a speech or at an industry conference; and comments on a public policy to be made to the media.

If the Head of Government Relations and VP, Litigation & Policy determine that there are conflicting corporate interests within Otis with respect to a particular public policy issue, efforts will be made with all the relevant stakeholders to reconcile such interests and identify a unified Otis position. If the conflicting interests cannot be reconciled, the Head of Government Relations will brief the EVP, Chief General Counsel (or designee), who shall determine, with other relevant stakeholders, whether to issue the proposed statement.

C. LOBBYING AND LOBBYISTS

1. All Lobbying (undertaken by Otis employees or Lobbyists) shall be coordinated with the Head of Government Relations and approved in advance as follows:

PROPOSED LOBBYING	ADVANCE APPROVAL ¹
<ul style="list-style-type: none"> ▪ Executive or legislative branches of U.S. Government (federal, state/local) ▪ U.S. federal Government administrative agencies (e.g., Federal Aviation Administration, International Trade Commission) ▪ Non-U.S. Governments ▪ Government Officials (U.S., non-U.S., elected or appointed) ▪ Officials of quasi-Government agencies (e.g., economic development agencies) for the purpose of negotiating economic assistance or incentives or rebates or the like for Otis ▪ Industry or trade association advocacy on behalf of Otis regarding significant domestic, foreign, or international public policy matters before U.S. or non-U.S. Governments ▪ Grassroot organizations or the pursuit of grassroots efforts involving new or pending legislative, regulatory, contract, or policy matters <u>or</u> ▪ Electioneering, issue advertising, or similar political communications or support, whether directly or indirectly through organizations such as trade associations, philanthropic organizations, or other entities (e.g., so-called "527" or "501(c)(4) organizations). 	<p>Head of Government Relations / designee</p>
<ul style="list-style-type: none"> ▪ Witten or oral testimony to U.S. Congress or other legislative or administrative bodies of any Government (U.S. federal or state/local, or non-U.S.) 	<p>Head of Government Relations / designee VP, Litigation & Policy/ designee</p>

2. All Lobbyists shall be selected, screened, retained, monitored, and managed in conformity with CPM 48D: Lobbyists.
3. Otis Operating Units are responsible for coordinating with the Head of Government Relations regarding their compliance with applicable U.S. (federal and state/local) and non-U.S. Government registration, disclosure, and reporting obligations, including the following:
 - a. The Honest Leadership & Open Government Act of 2007, Public Law No. 110-81 ("**HLOGA**") requires registration and reporting by any person (including any Otis employee or Lobbyist) who engages in Lobbying with the U.S. federal Government. Registration and disclosure are not required for individuals who spend less than 20% of their time on Lobbying. Additional information is available at Procedures on Lobbying Registration and Reporting.
 - b. Lobbying with respect to a U.S. federal Government contract, grant, loan, or cooperative agreement may also require disclosure under the "Byrd Amendment." See *Federal Acquisition Regulation Part 3.8*. In addition, the U.S. federal Government strictly

¹ These approval requirements do not apply to contacts or communications that do not bear directly on the Otis' advocacy of legislative, regulatory, or policy matters (e.g., communications related to the performance of contracts, grants, or permits; responses to Government subpoenas or other legal process; or contacts with industry associations regarding matters of common interest to the association's field of membership). These approval requirements also do not apply to codes or certifications necessitating engineering, technical or field expertise.

limits the ability of any person to initiate oral communications concerning pending competitive applications for federal assistance (e.g., award of contracts or grants) under the American Recovery and Reinvestment Act of 2009 ("**Recovery Act**").

- c. Lobbying and related registration and reporting requirements at the U.S. state/local level vary by jurisdiction. Inquiries should be directed to the Head of Government Relations /designee, before engaging in Lobbying or engaging the services of a Lobbyist for U.S. state/local advocacy.

D. VISITS OF ELECTED OFFICIALS AND POLITICAL CANDIDATES TO OTIS FACILITIES

1. All visits to Otis facilities by Government Officials require coordination with the Head of Government Relations (or designee) and regional management, provided that such visits are prohibited within sixty (60) days of election day for Government Officials seeking election, re-election, or election to a different office (whether as incumbents or non-incumbents). Exceptions to this prohibition may be made in rare circumstances and require advance approval of the Global Head of Government Relations (or designee) and regional management.
2. Visits to Otis facilities by Government Officials for the purpose of campaigning for public office (whether as incumbents or non-incumbents) are generally prohibited because they are strictly regulated by U.S. and non-U.S. laws and require equal accommodation (i.e., if one candidate for a particular office is permitted to campaign at a Otis facility, all candidates for the same office requesting a campaign visit must also be permitted). In extenuating circumstances, a policy exception may be considered. Such exception requires advance approval of the Head of Government Relations (or designee) and VP, Legal. For clarity, campaigning includes, without limitation, distributing literature, soliciting financial support, or statements by either the candidate or Otis representatives that advocate support in any election.
3. All visits authorized by or approved pursuant to Sections D(1) and (2) require advance coordination with the Head of Government Relations and compliance with facility regulations regarding access, security, photographs, etc.

E. POLITICAL ACTIVITY BY THE COMPANY

1. Otis and its employees have a legitimate interest in participating in public policy debates. Otis' government relations initiatives are intended to educate and inform officials and the public on a broad range of public policy issues that are important to its businesses. These initiatives shall be consistent with the interests of Otis' shareholders, and not be based on the personal agendas of individual directors, officers, or employees, and typically do not include Political Contributions.
2. U.S. law allows Otis to solicit its "restricted class" of employees to make (on a voluntary basis) private political contributions in their personal capacities to candidates for U.S. federal office, federal and political party organizations, as well as to the Otis PAC. Otis narrowly defines its "restricted class" to directors, officers, and Level M/P7 or higher level employees who are U.S. citizens or permanent resident aliens. All solicitations of private political contributions and the contents thereof require advance approval by the Head of Government Relations and VP, Human Resources Officer; provided, however, that proposed solicitations of private political contributions to Otis PAC require advance approval of the Head of Government Relations and VP, Litigation & Policy.

3. Otis PAC is non-partisan and participation is voluntary. Otis PAC contributes to candidates supportive of Otis' corporate business interests and public policy goals, regardless of political party, and also to national political organizations of both major parties. The bylaws of Otis PAC provide basic organizational material and incorporate Federal Election Commission regulations. A Steering Committee meets two times per year to review candidates and approve contributions. The Steering Committee considers, among other things, the following factors in deciding the timing and amount of contributions to candidates:
 - The candidate's views (and voting record, in the case of incumbents) on issues critical to Otis' success;
 - The presence of Otis facilities in the candidate's district;
 - The congressional committees on which the legislator serves (in the case of incumbents);
 - The strength of the candidate and impact a contribution and implied Otis endorsement might have on the race;
 - The candidate's demonstrated commitment to strengthening our democratic institutions and to supporting our system of government and the rule of law; and
 - Candidate diversity.
4. Otis joins trade associations to share with other companies in our industries business, technical, and standards expertise and to be part of an important public education effort regarding major issues of common concern to our industries. Otis does not join trade associations for political purposes, and we do not expect or support those associations of which we are a member to make political contributions or to be otherwise engaged in the political campaign process. Our participation in trade associations is subject to management oversight and membership requires management approval. Guidelines on trade association participation are provided in the Otis Absolutes, supplements to the Code, CPM 3: Antitrust Compliance, and CPM 7: Conflict of Interests.

F. POLITICAL ACTIVITY & REPORTING BY DIRECTORS, OFFICERS, AND EMPLOYEES

1. Otis encourages individual employees in their personal capacity to engage in political activity by contributing financial and other support to candidates and political parties of their choice, participating in local political activities, voting in elections, attending caucuses and conventions, and seeking and holding public office. Persons engaged in these activities must do so on their own time and not as representatives of (or otherwise on behalf of) Otis, and shall not use Otis' resources (e.g., work time, e-mail, administrative staff, etc.) to undertake or facilitate such activities.
2. Some jurisdictions and their political subdivisions regulate political activity by companies and their directors, officers, and employees that do business with the state or subdivision. So-called "pay to play" laws often prohibit or require reporting of political contributions by a state contractor or its directors, officers, and employees who are involved in performing one or more contracts with the state or subdivision. If you or a covered family member intends to make a private political contribution in your personal capacity in any jurisdiction that has a pay-to-play law, you are responsible to ensure that it will not affect the ability of Otis to contract with that jurisdiction. Because these regulations vary widely in scope and are difficult to apply, you are encouraged to consult the Otis Legal Department before making a private political contribution in your personal capacity to a candidate for U.S. state/local office.

G. POLITICAL CONTRIBUTIONS

1. Otis shall not make Political Contributions to candidates for U.S. federal Government office, as U.S. law prohibits corporations from offering or making such contributions. Subject to the exceptions and prior approval requirements described in this Policy, Otis shall not provide any financial support to a U.S. federal committee (e.g., Republican or Democratic National Committee) or to a political committee for the direct benefit of a U.S. federal candidate.
2. U.S. state/local laws may differ, but frequently ban or restrict the amount of allowable Political Contributions to candidates for U.S. state/local office. Accordingly, as a matter of policy, Otis does not make such Political Contributions (exceptions require advance approval pursuant to Section G7 below).
3. Otis shall not make Political Contributions to candidates for or incumbents of non-U.S. Government office, as these are subject to -- and in many cases are prohibited by -- the U.S. Foreign Corrupt Practices Act and local laws or regulations.
4. Otis is permitted to make administrative expenditures in support of its Otis Federal Political Action Committee ("**Otis PAC**"), and to contribute to organizations formed under Sections 527 and 501(c)(4) of the U.S. Internal Revenue Code ("**527 or 501(c)(4) organizations**"), but only as approved in advance in accordance with Section G7 below.
5. Otis also may donate funds to U.S. tax-exempt (501(c)) organizations designated by eligible employees who contribute to Otis PAC. This "PAC Match" program is subject to revision or elimination at any time, at the sole discretion of the Corporation. See CPM 11: Philanthropic Donations.
6. U.S. law regulates donations or contributions to support an event or organization in any way connected to a member of the U.S. Congress and may require reporting of such contributions in Otis' periodic lobbying reports to the U.S. Congress. Accordingly, such contributions require advance approval pursuant to Section G7 below. Philanthropic Donations to a charitable event or organization at the behest or on behalf of a member of the U.S. Congress, or where a member of the U.S. Congress is a chair or is honored, may be made only with prior approvals pursuant to CPM 11: Philanthropic Donations.
7. Because laws governing political activity are complex, Political Contributions must be reviewed carefully to assure compliance with laws and The Otis Absolutes. In all cases, the WHQ legal counsel shall be consulted in advance of making any Political Contribution (including, without limitation, any commitment for financial support to any candidate for U.S. state/local Government office or to any U.S. federal or state/local political parties, committees, or 527 organizations (or equivalent)), and no Political Contribution shall be offered or made on behalf of Otis or its Affiliates without the prior approval of the Head of Government Relations; provided that, advance approval need not be obtained for Otis' support for Otis PAC contributions, if administered by the Otis PAC in accordance with the PAC's bylaws and operating guidelines. Under no circumstances shall any Political Contribution be offered or made that would constitute or create the appearance of a Corrupt Payment.
8. HLOGA imposes reporting requirements for federal political contributions and other politically related payments, restricts Otis's ability to provide Business Gifts or Sponsored Travel to Members of the U.S. Congress, and requires Otis (and certain individuals within Otis) to certify that Otis

employees have read and are familiar with the House and Senate rules and have not offered or provided a Business Gifts or Sponsored Travel in violation of the rules. Specifically, HLOGA requires semi-annual disclosures of the following by Otis:

- Contributions by Otis of \$200 or more made within the prior 6-month period to any U.S. federal candidate, officeholder, leadership PAC, or political party committee;
- Contributions by Otis or Otis PAC of \$200 or more made within the prior 6-month period to a Presidential library foundation or Presidential inaugural committee; and
- Payments of any amount (other than those required to be disclosed by the recipient to the Federal Election Commission (“**FEC**”)) by Otis or the Otis PAC:
 - For the cost of an event to honor or recognize any covered legislative or executive branch official;
 - To any Entity that is named for a covered legislative branch official;
 - To any individuals or Entity in recognition of a covered legislative branch official;
 - To any Entity established, financed, maintained, or controlled by a covered legislative or executive branch official;
 - To any Entity designated by a covered legislative or executive branch official; and
 - To pay the costs of a meeting, retreat, conference, or other similar event, held by, or in the name of, one or more covered legislative or executive branch officials.

H. CONTRIBUTIONS TO SUPPORT EVENTS SPONSORED BY GOVERNMENT OFFICES

1. Otis may make contributions to support events sponsored by international posts of the U.S. State Department (e.g. U.S. embassies and consulates); provided that, the contributions are permitted by applicable law, modest in amount, intended to directly support events held by such international posts that are commemorative in nature (e.g., national holidays), and approved in advance by the Head of Government Relations/designee and EVP, Chief General Counsel/designee. Contributions to commemorative events other than U.S. Independence Day are discouraged, and shall not exceed an annual aggregate contribution by Otis of USD500. Duly approved contributions shall be paid directly to the registered bank account of the international post and shall be accompanied with the following statement: "Otis Worldwide Corporation serves customers around the world in the elevator and escalator industry. This donation is unconditional and not in exchange for any official action by the U.S. Department of State or its international posts. This donation is also provided with the understanding that the U.S. Department of State has authority to accept the donation and will use the donation only for authorized purposes."
2. Contributions to events sponsored by other U.S. federal Government offices, U.S. state/local Government offices, and non-U.S. Government offices are highly discouraged, and require advance approval on an exception basis by the Head of Government Relations and the EVP, Chief General Counsel/designee.
3. Under no circumstances shall any contribution be offered or made that would constitute or create the appearance of a Corrupt Payment.

I. COST ALLOWABILITY

Political activities described above impact Otis' tax and U.S. federal Government cost accounting, including employee salary expense. Tax reporting will be handled as required by the VP, Tax. All direct and indirect costs will be reviewed for U.S. federal Government cost allowability purposes in accordance with section 29.29.8 of Otis 's Financial Manual.