

**SUMMARY OF THE RESOLUTIONS PASSED AT THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF ZARDOYA OTIS, S.A., HELD ON THE SECOND CALL AT THE NH COLLECTION EUROBUILDING HOTEL, MADRID, ON MAY 24, 2017**

**QUORUM FOR CONSTITUTING THE ORDINARY GENERAL SHAREHOLDERS' MEETING**

(Article 7 of the Regulations of the General Shareholders' Meeting)

The result of the list of attendees may be summarized as follows: (i) 259 shareholders holding 301,527,657 shares, representing 64.09% of the share capital were present; and (ii) 2,195 shareholders holding 68,952,637 shares, representing 14.66% of the share capital were represented. Consequently, the total number of shares either present or represented was 370,480,294 representing 78.75% of the share capital.

**RESOLUTION 1**

**Examination and, if applicable, approval of the annual financial statements and management reports of both the Company and its consolidated group for the period running from December 1, 2015 to November 30, 2016.**

The Ordinary General Shareholders' Meeting approved the annual financial statements and management reports of the Company and its consolidated group, including the Annual Corporate Governance Report, for the 2016 reporting period (running from December 1, 2015 to November 30, 2016).

The annual financial statements were drawn up by the Board of Directors, signed by all the directors, numbered correlatively and verified by the account auditor (who issued the relevant audit reports). The Income Statement of said annual financial statements includes the global compensation of the Board of Directors for the period in question, which was 1,676 thousand euros.

**RESOLUTION 2**

**Application of the profit for the period running from December 1, 2015 to November 30, 2016.**

The Ordinary General Shareholders' Meeting approved the following application of the profit for the period, submitted by the Board of Directors:

<b>Distribution bases</b>	<b>Amount</b>
Profit for the period	154,836,292.00 euros
<b>Distribution</b>	<b>Amount</b>
Legal reserve	376,371.45 euros
Dividends (*)	111,456,603.14 euros
Reserve for goodwill	1,805,490.24 euros
Voluntary reserve	41,197,827.17 euros

(\*) The whole of the proposed dividend has been paid to the shareholders, as stated in the following item on the Agenda.

### **RESOLUTION 3**

**Approval of the performance of the Board of Directors and, in particular, of the distribution of dividends charged to the profit for the period running from December 1, 2015 to November 30, 2016.**

The Ordinary General Shareholders' Meeting approved the performance of the Board of Directors during the period running from December 1, 2015 to November 30, 2016 and ratified the distribution of interim dividends charged to the profit for the period running from December 1, 2015 to November 30, 2016, i.e. three quarterly interim dividends, the total amount of which was 111,456,603.14 euros. For these purposes, the partial cash distribution of the share premium for the sum of 0.08 euros per share, which was approved by the Ordinary General Shareholders' Meeting held on May 19, 2016, was excluded.

### **RESOLUTION 4**

**Approval of a partial cash distribution of the share premium for a gross amount of 0.079 euros per share.**

The Ordinary General Shareholders' Meeting approved a partial cash distribution of the share premium for a gross amount of 0.079 euros per share, the withholdings and taxes established by law being payable by the recipient.

Thus, the Company will pay up to a maximum of 37,166,680.57 euros, which is the result of multiplying the gross amount of the cash distribution per share by 470,464,311, which is the total number of shares into which the Company's share capital is divided. This cash distribution of the share premium will be paid out on July 10, 2017.

### **RESOLUTION 5**

**Re-appointment of the auditors for the Company and its consolidated group for the period running from December 1, 2016 to November 30, 2017.**

The Ordinary General Shareholders' Meeting approved the re-appointment of PricewaterhouseCoopers, S.L. as the account auditors for the Company and its consolidated group for the annual period 2017, which commenced on December 1, 2016 and will end on November 30, 2017. For the purposes of article 153 and related articles of Royal Decree 1784/1996 of July 19, whereby the Companies Register Regulations were approved, PricewaterhouseCoopers, S.L. was stated to be a Spanish company, with registered office at Paseo de la Castellana, 259 B, Torre PWC, 28046 Madrid, and tax identification number B-79031290, registered in the Madrid Companies Register on Sheet 87, Point 250-1, Folio 75, Volume 9267, Book 8054, Section 3, and in the Official Account Auditors Register (ROAC) with number S0242.

Likewise, the Ordinary General Shareholders' Meeting passed a resolution authorizing the Company's Board of Directors -expressly permitting it to be substituted by any of the members thereof or by the Secretary of the Board- to determine the account auditor's remuneration for the aforementioned period in accordance with the generally-applicable economic bases for said audit firm and, specifically, to execute the relevant service agreement, with the clauses and conditions deemed appropriate. The Board was likewise authorized to make any amendments to said agreement that might be appropriate in accordance with the legislation in force at any given moment; The foregoing was proposed by the Audit Committee in compliance with art 529 *quaterdecies* (d) of the Capital Companies Law.

.It was expressly stated that the re-appointment of PriceWaterhouseCoopers Auditores, S.L. was in accordance with the new Law 22/2015 of July 20 on Account Auditing, which places restrictions on the maximum term for which an auditor may be engaged. According to the Transitional Provision established in Regulation (EU) 537/2014 of the European Parliament and Council, audited entities which, like the Company, had been engaging the

same auditor for a period of 20 years or more as of June 2014 will not have to change auditor until June 17, 2020.

## **RESOLUTION 6**

### **Consultative ballot on the 2016 Annual Director Compensation Report in accordance with the provisions of the Capital Companies Law, article 541.**

In order to comply with (i) the provisions of the new article 541 of the Capital Companies Law; and (ii) Order ECC/461/2013, which reorganizes and completes the transparency requirements established in Royal Legislative Decree 4/2015 of October 23, whereby the revised text of the Securities Market Law was approved ("**Securities Market Law**"), the Company's Ordinary General Shareholders' Meeting approved the 2016 Annual Director Compensation Report on a consultative basis.

## **RESOLUTION 7**

### **Approval of the director compensation policy for the periods 2018, 2019 and 2020.**

In accordance with article 529 *novodecies* of the Capital Companies Law, the Ordinary General Shareholders' Meeting approved the Company's director compensation policy for 2018, 2019 and 2020, the text of had been made available to the shareholders.

Likewise, the Ordinary General Shareholders' Meeting passed a resolution to permit the Chief Executive Officer to receive from United Technologies Corporation (the Company's parent) a long-term incentive package consisting of different financial instruments based on United Technologies Corporation Shares, in the terms set out in the aforementioned Director Compensation Policy. This dispensation was granted to the extent necessary for the purposes of the Capital Companies law, articles 229 and 230.

## **RESOLUTION 8**

### **Determination of the percentage applicable in relation to compensation through profit sharing, in accordance with the Capital Companies Law, article 218.**

The Company's Ordinary General Shareholders' Meeting passed a resolution determining the percentage applicable in relation to director compensation through profit sharing at an amount of 1.5% of the consolidated profit after tax, up to a limit of 1% of the consolidated profit before tax. The fact that this percentage was below the upper limit fixed in the Bylaws was placed on record and the resolution was adopted without prejudice to the Board of Directors' right to fix the exact sum to be paid within the aforementioned limit, in accordance with the Bylaws.

## **RESOLUTION 9**

### **Authorization to the Board of Directors for the direct or indirect derivative acquisition of treasury shares, within the limits and meeting the requirements set forth in article 146 and related articles of the Capital Companies Law.**

The Ordinary General Shareholders' Meeting authorized the Board of Directors to, without previously consulting the General Shareholders' Meeting, acquire, directly or indirectly, the Company's own shares up to a maximum of 10% of the share capital for a maximum term of five years as from the date of this General Shareholders' Meeting. These shares may be acquired by purchase in the market at a minimum price of two euros per share and a maximum price of twenty-five euros per share and the Board of Directors is authorized to set aside the reserves stipulated in article 148 of the Capital Companies Law.

Any shares acquired as a result of this authorization may be sold, written off or delivered to the Company's workers or directors, either directly or as the result of their exercising any option rights they may hold.

This delegation of powers to the Board of Directors replaced the powers conferred at the Company's General Shareholders' Meeting of May 19, 2016, which, in consequence, will be null and void.

#### **RESOLUTION 10**

##### **Delegation to the Board of Directors for the interpretation, rectification, execution, formalization and registration of the resolutions adopted.**

The General Shareholders' Meeting authorized the Chairman of the Board of Directors, Mr Mario Abajo García, the Deputy Chairman of the Board of Directors Mr José María Loizaga Viguri, the Chief Executive Officer, Mr Bernardo Calleja Fernández and the Secretary to the Board of Directors, Mr. Alberto Fernández-Ibarburu Arocena, so that any one of them, without distinction, may, jointly and severally, execute compliance with and/or perform each and every one of the resolutions and/or decisions adopted at the present meeting, with sufficient capacity and power of attorney to enter them into public record, execute deeds of power of attorney and request any entries that might be applicable in the relevant registers, including the Companies Register, making any rectifications that may be appropriate in this respect in the light of the oral or written comments of the registrars until the deeds are fully registered.

#### **RESOLUTION 11**

All questions were answered and the requests put forward by the shareholders at the appropriate moment received a response.

In accordance with Recommendation 3 of the Good Governance Code and article 10 of the Regulations of the General Shareholders' Meeting, the Chairman reported orally on the most significant aspects of the Company's corporate governance, including, in particular, the updating of the Internal Code of Conduct in order to comply with the European Union Regulation on market abuse and insider trading.

#### **RESOLUTION 12**

Approval of the Minutes of the Ordinary General Shareholders' Meeting.

## VOTING RESULTS

According with article 525 of the Capital Companies Law, for each motion proposed for approval to the the General Shareholder's Meeting of Zardoya Otis, S.A., the following is determined: (i) number of shares for which valid votes has been cast; (ii) proportion of share capital represented by said votes: (iii) total number of valid votes; (iv) number of votes in favour and against, and in its case, number of abstentions.

Motion	Valid votes <sup>1</sup>							Abstentions	% <sup>2</sup>		
	In favour	% <sup>3</sup>	Against	% <sup>4</sup>	Blank	% <sup>5</sup>	Total			%	% <sup>6</sup>
1	369.700.483	99,79%	286.682	0,08%			369.987.165	99,87%	78,64%	493.129	0,13%
2	370.476.998	100,00%	500	0,00%			370.477.498	100,00%	78,75%	2.796	0,00%
3	369.785.800	99,81%	159.650	0,04%			369.945.450	99,86%	78,63%	534.844	0,14%
4	369.916.405	99,85%	491.093	0,13%			370.407.498	99,98%	78,73%	72.796	0,02%
5	369.598.697	99,76%	875.659	0,24%			370.474.356	100,00%	78,75%	5.938	0,00%
6	341.735.442	92,24%	28.715.272	7,75%			370.450.714	99,99%	78,74%	29.580	0,01%
7	336.225.303	90,75%	34.226.468	9,24%			370.451.771	99,99%	78,74%	28.523	0,01%
8	341.832.034	92,27%	28.619.737	7,73%			370.451.771	99,99%	78,74%	28.523	0,01%
9	369.759.973	99,81%	717.349	0,19%			370.477.322	100,00%	78,75%	2.972	0,00%
10	370.476.998	100,00%	760	0,00%			370.477.758	100,00%	78,75%	2.536	0,00%
11	370.473.596	100,00%	500	0,00%			370.474.096	100,00%	78,75%	6.198	0,00%
12	370.476.998	100,00%	500	0,00%			370.477.498	100,00%	78,75%	2.796	0,00%

<sup>1</sup> Each share of Zardoya Otis, S.A. corresponds to one vote.

<sup>2</sup> Percentage over total valid votes and abstentions.

<sup>3</sup> Percentage over total valid votes and abstentions.

<sup>4</sup> Percentage over total valid votes and abstentions.

<sup>5</sup> Percentage over total valid votes and abstentions.

<sup>6</sup> Percentage over total shares of Zardoya Otis, S.A. at the date of the General Shareholder's Meeting of Zardoya Otis, S.A.