

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-39221

**OTIS**

**OTIS WORLDWIDE CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

83-3789412

(I.R.S. Employer Identification No.)

One Carrier Place, Farmington, Connecticut 06032

(Address of principal executive offices, including zip code)

(860) 674-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$0.01 par value)	OTIS	New York Stock Exchange
0.318% Notes due 2026	OTIS/26	New York Stock Exchange
2.875% Notes due 2027	OTIS/27	New York Stock Exchange
0.934% Notes due 2031	OTIS/31	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes . No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

the Exchange Act.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes . No .

As of April 15, 2025 there were 394,676,593 shares of Common Stock outstanding.

**OTIS WORLDWIDE CORPORATION**  
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**Quarter Ended March 31, 2025**

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Otis Worldwide Corporation's and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or tradenames of Otis Worldwide Corporation and its subsidiaries. Names, abbreviations of names, logos, and products and service designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. As used herein, the terms "we," "us," "our," "the Company" or "Otis," unless the context otherwise requires, mean Otis Worldwide Corporation and its subsidiaries. References to Internet websites in this Form 10-Q are provided for convenience only. Information available through these websites is not incorporated by reference into this Form 10-Q.

**PART I – FINANCIAL INFORMATION****Item 1. Financial Statements**

**OTIS WORLDWIDE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

<i>(dollars in millions, except per share amounts; shares in millions)</i>	Quarter Ended March 31,	
	2025	2024
Net sales:		
Product sales	\$ 1,163	\$ 1,280
Service sales	2,187	2,157
	3,350	3,437
Costs and expenses:		
Cost of products sold	976	1,067
Cost of services sold	1,373	1,342
Research and development	37	36
Selling, general and administrative	464	462
	2,850	2,907
Other income (expense), net	(89)	14
Operating profit	411	544
Non-service pension cost (benefit)	—	—
Interest expense (income), net	45	44
Net income before income taxes	366	500
Income tax expense (benefit)	110	126
Net income	256	374
Less: Noncontrolling interest in subsidiaries' earnings	13	21
Net income attributable to Otis Worldwide Corporation	\$ 243	\$ 353
Earnings per share (Note 2):		
Basic	\$ 0.61	\$ 0.87
Diluted	\$ 0.61	\$ 0.86
Weighted average number of shares outstanding:		
Basic shares	396.6	405.2
Diluted shares	399.1	408.1

See accompanying Notes to Condensed Consolidated Financial Statements.

**OTIS WORLDWIDE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Net income	\$ 256	\$ 374
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(123)	(25)
Pension and postretirement benefit plan adjustments	1	9
Change in unrealized cash flow hedging	—	3
Other comprehensive income (loss), net of tax	(122)	(13)
Comprehensive income (loss), net of tax	134	361
Less: Comprehensive (income) loss attributable to noncontrolling interest	(17)	(14)
Comprehensive income attributable to Otis Worldwide Corporation	\$ 117	\$ 347

See accompanying Notes to Condensed Consolidated Financial Statements.

**OTIS WORLDWIDE CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
<b>Assets</b>		
Cash and cash equivalents	\$ 1,918	\$ 2,300
Accounts receivable	3,570	3,428
Contract assets	690	706
Inventories	586	557
Other current assets	671	679
Total Current Assets	<u>7,435</u>	<u>7,670</u>
Future income tax benefits	305	302
Fixed assets (net of accumulated depreciation of \$1,201 and \$1,192)	708	701
Operating lease right-of-use assets	456	422
Intangible assets, net	326	311
Goodwill	1,588	1,548
Other assets	360	362
Total Assets	<u>\$ 11,178</u>	<u>\$ 11,316</u>
<b>Liabilities and Equity (Deficit)</b>		
Short-term borrowings and current portion of long-term debt	\$ 1,483	\$ 1,351
Accounts payable	1,618	1,879
Accrued liabilities	1,921	1,921
Contract liabilities	2,870	2,598
Total Current Liabilities	<u>7,892</u>	<u>7,749</u>
Long-term debt	6,923	6,973
Future pension and postretirement benefit obligations	432	434
Operating lease liabilities	319	298
Future income tax obligations	217	207
Other long-term liabilities	386	383
Total Liabilities	<u>16,169</u>	<u>16,044</u>
Commitments and contingent liabilities (Note 16)		
Redeemable noncontrolling interest	62	57
Shareholders' Equity (Deficit):		
Common Stock and additional paid-in capital	278	265
Treasury Stock	(3,646)	(3,390)
Accumulated deficit	(889)	(978)
Accumulated other comprehensive income (loss)	(871)	(745)
Total Shareholders' Equity (Deficit)	<u>(5,128)</u>	<u>(4,848)</u>
Noncontrolling interest	75	63
Total Equity (Deficit)	<u>(5,053)</u>	<u>(4,785)</u>
Total Liabilities and Equity (Deficit)	<u>\$ 11,178</u>	<u>\$ 11,316</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**OTIS WORLDWIDE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)

<i>(dollars in millions, except per share amounts)</i>	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' (Deficit) Equity	Noncontrolling Interest	Total (Deficit) Equity	Redeemable Noncontrolling Interest
<b>Quarter Ended March 31, 2025</b>								
Balance as of December 31, 2024	\$ 265	\$ (3,390)	\$ (978)	\$ (745)	\$ (4,848)	\$ 63	\$ (4,785)	\$ 57
Net income	—	—	243	—	243	13	256	—
Other comprehensive income (loss), net of tax	—	—	—	(126)	(126)	2	(124)	2
Stock-based compensation and Common Stock issued under employee plans	13	—	—	—	13	—	13	—
Cash dividends declared (\$0.39 per common share)	—	—	(155)	—	(155)	—	(155)	—
Repurchase of Common Shares	—	(256)	—	—	(256)	—	(256)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(2)	(2)	—
Acquisitions, disposals and other changes	—	—	1	—	1	(1)	—	3
Balance as of March 31, 2025	<u>\$ 278</u>	<u>\$ (3,646)</u>	<u>\$ (889)</u>	<u>\$ (871)</u>	<u>\$ (5,128)</u>	<u>\$ 75</u>	<u>\$ (5,053)</u>	<u>\$ 62</u>
<b>Quarter Ended March 31, 2024</b>								
Balance as of December 31, 2023	\$ 213	\$ (2,382)	\$ (2,005)	\$ (750)	\$ (4,924)	\$ 69	\$ (4,855)	\$ 135
Net income	—	—	353	—	353	18	371	3
Other comprehensive income (loss), net of tax	—	—	—	(6)	(6)	(2)	(8)	(5)
Stock-based compensation and Common Stock issued under employee plans	(2)	—	(1)	—	(3)	—	(3)	—
Cash dividends declared (\$0.34 per common share)	—	—	(138)	—	(138)	—	(138)	—
Repurchase of Common Shares	—	(302)	—	—	(302)	—	(302)	—
Dividends attributable to noncontrolling interest	—	—	—	—	—	(1)	(1)	(8)
Acquisitions, disposals and other changes	(1)	—	(3)	—	(4)	—	(4)	(1)
Balance as of March 31, 2024	<u>\$ 210</u>	<u>\$ (2,684)</u>	<u>\$ (1,794)</u>	<u>\$ (756)</u>	<u>\$ (5,024)</u>	<u>\$ 84</u>	<u>\$ (4,940)</u>	<u>\$ 124</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

**OTIS WORLDWIDE CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Operating Activities:		
Net income	\$ 256	\$ 374
Adjustments to reconcile net income to net cash flows provided by operating activities, net of acquisitions and dispositions:		
Depreciation and amortization	42	44
Deferred income tax expense (benefit)	—	16
Stock compensation cost	21	16
Change in operating assets and liabilities:		
Accounts receivable, net	(104)	(162)
Contract assets and liabilities, current	260	275
Inventories	(18)	9
Other current assets	(2)	(24)
Accounts payable	(281)	(217)
Accrued liabilities	12	(142)
Pension contributions	(18)	(12)
Other operating activities, net	22	(6)
Net cash flows provided by (used in) operating activities	190	171
Investing Activities:		
Capital expenditures	(34)	(31)
Acquisitions of businesses and intangible assets, net of cash (Note 6)	(36)	(30)
Receipts (payments) on settlements of derivative contracts	(93)	(21)
Other investing activities, net	2	3
Net cash flows provided by (used in) investing activities	(161)	(79)
Financing Activities:		
Net proceeds from (repayments of) borrowings (maturities of 90 days or less)	(11)	3
Dividends paid on Common Stock	(155)	(138)
Repurchases of Common Stock	(253)	(300)
Acquisition of noncontrolling interest shares	—	(4)
Dividends paid to noncontrolling interest	(2)	(9)
Other financing activities, net	(7)	(19)
Net cash flows provided by (used in) financing activities	(428)	(467)
Effect of exchange rate changes on cash and cash equivalents	7	(18)
Net increase (decrease) in cash, cash equivalents and restricted cash	(392)	(393)
Cash, cash equivalents and restricted cash, beginning of year	2,321	1,280
Cash, cash equivalents and restricted cash, end of period	1,929	887
Less: Restricted cash	11	3
Cash and cash equivalents, end of period	\$ 1,918	\$ 884

See accompanying Notes to Condensed Consolidated Financial Statements.

**OTIS WORLDWIDE CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1: General**

The Condensed Consolidated Financial Statements as of March 31, 2025 and for the quarters ended March 31, 2025 and 2024 are unaudited, but in the opinion of management include all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the results for the interim periods. The Condensed Consolidated Balance Sheet as of December 31, 2024 was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles ("GAAP") in the United States ("U.S."). The results reported in these Condensed Consolidated Financial Statements should not necessarily be taken as indicative of results that may be expected for the entire year. The financial information included herein should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes included in our Annual Report on [Form 10-K](#) for fiscal year 2024 ("2024 Form 10-K" or "Form 10-K").

Unless the context otherwise requires, references to "Otis," "we," "us," "our" and "the Company" refer to Otis Worldwide Corporation and its subsidiaries.

There have been no changes to the Company's significant accounting policies described in the Company's 2024 Form 10-K that have a material impact on the Company's Condensed Consolidated Financial Statements and the related notes.

**Use of Estimates.** The preparation of these Condensed Consolidated Financial Statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ materially from those estimates.

We assessed certain accounting matters that generally require consideration of forecasted financial information in the context of the information reasonably available to us and the unknown future impacts of macroeconomic developments, including inflationary pressures, higher interest rates, tighter credit conditions and changes in global trade policies including higher tariffs in the U.S. and other countries, as of March 31, 2025 and through the date of this report. The accounting matters assessed included, but were not limited to, our allowance for credit losses, the carrying value of our goodwill and other long-lived assets, financial assets and revenue recognition. While there was not a material impact to our Condensed Consolidated Financial Statements as of March 31, 2025 and for the quarters ended March 31, 2025 and 2024 resulting from our assessments of these matters, future assessment of our expectations of the magnitude and duration of these macroeconomic developments, as well as other factors, could result in material impacts to our Condensed Consolidated Financial Statements in future reporting periods.

New import tariffs implemented by the U.S. and other countries, as currently in effect, could have a material impact on our results for the remainder of 2025 and in the future. The impact of tariffs is dependent upon negotiations with customers and suppliers and other mitigation efforts and potential further changes in global trade policies, including higher tariffs in the U.S. or other countries.

We also assessed certain accounting matters as they relate to the ongoing conflict between Russia and Ukraine and the conflicts in the Middle East, including, but not limited to, our allowance for credit losses, the carrying value of long-lived assets, revenue recognition and the classification of assets. There was not a material impact to our Condensed Consolidated Financial Statements as of March 31, 2025 and for the quarters ended March 31, 2025 and 2024 resulting from our assessment of these matters. We continue to assess the impact on our results of operations, financial position and overall performance as the situations develop and any broader implications they may have on the global economy.

**German Tax Litigation.** In August 2024, we received a favorable ruling regarding a tax litigation in Germany. As a result, our Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024 include an income tax receivable of approximately \$180 million and \$175 million, respectively, and an interest receivable of approximately \$150 million and \$140 million, respectively.

Pursuant to the Tax Matters Agreement ("TMA") with RTX Corporation ("RTX", our former parent), and based on the facts and contractual provisions at the time, the Company estimated the amount payable to RTX as a result of the outcome of the German tax litigation to be \$194 million as of December 31, 2024. Based on additional information received from RTX in the quarter ended March 31, 2025, the Company now estimates the amount payable to RTX to be \$246 million, resulting in indemnification expense of \$52 million in the quarter ended March 31, 2025. This indemnification expense is included in Other (expense) income, net in the Condensed Consolidated Statements of Operations for the quarter ended March 31, 2025. This estimate could further change due to the Company's limited access to information held by RTX and the parties' continuing discussion to resolve the scope of the indemnity obligation and the final indemnity amount.

See Note 11, "Income Taxes" and Note 16, "Contingent Liabilities" for additional information.

**Supplier Finance Programs.** Certain Otis subsidiaries participate in supplier finance programs, under which we agree to pay third-party financial institutions the stated amounts of confirmed invoices from suppliers on the original due dates of the invoices, while the participating suppliers generally have the ability to sell, or otherwise pledge as collateral, their receivables from the Company to the participating financial institutions. The outstanding obligations confirmed by the Company as valid to the financial institutions under our supplier finance programs were \$555 million and \$714 million as of March 31, 2025 and December 31, 2024, respectively, including \$110 million and \$67 million as of March 31, 2025 and December 31, 2024, respectively, related to programs with payment terms of 240 days from the invoice date. These obligations are included in Accounts payable in the Condensed Consolidated Balance Sheets, and all activity related to the obligations is presented within operating activities in the Condensed Consolidated Statements of Cash Flows.

Refer to Note 2 of the Company's audited consolidated financial statements and notes thereto included in our 2024 [Form 10-K](#) for additional details regarding the Company's supplier financing programs.

**Note 2: Earnings per Share**

<i>(dollars in millions, except per share amounts; shares in millions)</i>	Quarter Ended March 31,	
	2025	2024
Net income attributable to common shareholders	\$ 243	\$ 353
Basic weighted average number of shares outstanding	396.6	405.2
Stock awards and equity units (share equivalent)	2.5	2.9
Diluted weighted average number of shares outstanding	399.1	408.1

Earnings Per Share of Common Stock:

Basic	\$ 0.61	\$ 0.87
Diluted	\$ 0.61	\$ 0.86

The computation of diluted earnings per share excludes the effect of the potential exercise of stock awards, including stock appreciation rights and stock options, when the average market price of Otis' common stock ("Common Stock") is lower than the exercise price of the related stock awards during the period because the effect would be anti-dilutive. In addition, the computation of diluted earnings per share excludes the effect of the potential exercise of stock awards when the awards' assumed proceeds exceed the average market price of the common shares during the period. Lastly, the computations of diluted earnings per share include outstanding awards granted prior to the separation and distribution ("Separation") of each of Otis and Carrier Global Corporation from United Technologies Corporation ("UTC"), subsequently renamed RTX Corporation, and converted upon the Separation, in accordance with the Employee Matters Agreement, dated as of April 2, 2020, by the among UTC, Otis and Carrier Global Corporation. There were 0.5 million of anti-dilutive stock awards excluded from the computation for the quarter ended March 31, 2025, compared to 1.4 million for the same period in 2024.

The impact of redeemable noncontrolling interest to Net income attributable to common shareholders was immaterial in the quarters ended March 31, 2025 and 2024.

**Note 3: Revenue Recognition**

We account for revenue in accordance with Accounting Standards Codification ("ASC") Topic 606: *Revenue from Contracts with Customers*.

**Contract Assets and Liabilities.** Contract assets reflect revenue recognized in advance of customer billing. Contract liabilities are recognized when a customer pays consideration, or we have an unconditional right to receive consideration, in advance of the satisfaction of performance obligations under the contract. We receive payments from customers based on the terms established in our contracts, which are payments in advance of performing work, progress payments as we perform contract work over time, or in some cases, payments upon completion of work.

Total Contract assets and Contract liabilities as of March 31, 2025 and December 31, 2024 are as follows:

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
Contract assets, current	\$ 690	\$ 706
Total contract assets	690	706
Contract liabilities, current	2,870	2,598
Contract liabilities, non-current (included within Other long-term liabilities)	38	38
Total contract liabilities	2,908	2,636
Net contract liabilities	\$ 2,218	\$ 1,930

Contract assets decreased by \$16 million during the quarter ended March 31, 2025 as a result of the progression of current contracts and timing of billing on customer contracts. Contract liabilities increased by \$272 million during the quarter ended March 31, 2025 primarily due to billings on contracts in excess of revenue earned.

In the quarters ended March 31, 2025 and 2024, we recognized revenue of approximately \$1.0 billion each quarter related to contract liabilities as of January 1, 2025 and 2024.

**Remaining Performance Obligations ("RPO").** RPO represents the aggregate amount of total contract transaction price that is unsatisfied or partially unsatisfied. As of March 31, 2025, our total RPO was approximately \$18.6 billion. Of the total RPO as of March 31, 2025, we expect approximately 90% will be recognized as sales over the following 24 months.

**Note 4: Accounts Receivable, Net**

Accounts receivable, net consisted of the following as of March 31, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
Accounts receivable	\$ 3,689	\$ 3,553
Allowance for expected credit losses	(119)	(125)
Accounts receivable, net	\$ 3,570	\$ 3,428

**Note 5: Inventories**

Inventories consisted of the following as of March 31, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
Raw materials and work-in-process	\$ 127	\$ 134
Finished goods	459	423
<b>Total</b>	<b>\$ 586</b>	<b>\$ 557</b>

Raw materials, work-in-process and finished goods are net of valuation write-downs of \$85 million and \$82 million as of March 31, 2025 and December 31, 2024, respectively.

**Note 6: Business Acquisitions, Dispositions, Goodwill and Intangible Assets**

**Business Acquisitions.** Our acquisitions of businesses and intangible assets, net of cash, totaled \$36 million and \$30 million in the quarters ended March 31, 2025 and 2024, respectively, and were primarily in our Service segment. Transaction costs incurred were not considered significant.

**Goodwill.** Changes in our Goodwill balance during the quarter ended March 31, 2025 were as follows:

<i>(dollars in millions)</i>	Balance as of December 31, 2024	Goodwill Resulting from Business Combinations	Foreign Currency Translation and Other	Balance as of March 31, 2025
New Equipment	\$ 277	\$ —	\$ 5	\$ 282
Service	1,271	18	17	1,306
<b>Total</b>	<b>\$ 1,548</b>	<b>\$ 18</b>	<b>\$ 22</b>	<b>\$ 1,588</b>

**Intangible Assets.** Intangible assets cost and accumulated amortization were \$2,082 million and \$1,756 million, respectively, as of March 31, 2025, and \$2,006 million and \$1,695 million, respectively, as of December 31, 2024.

Amortization of intangible assets was \$15 million for the quarters ended March 31, 2025 and 2024. Excluding the impact of acquisitions and currency translation adjustments, there were no other significant changes in our Intangible assets during the quarters ended March 31, 2025 and 2024.

**Held For Sale Assets and Liabilities.** Assets and liabilities held for sale were \$20 million and \$11 million, respectively, as of March 31, 2025, and \$38 million and \$9 million, respectively, as of December 31, 2024, and are included in Other current assets and Accrued liabilities, respectively, in the Condensed Consolidated Balance Sheets.

As of March 31, 2025, the assets and liabilities of one of our non-U.S. subsidiaries, primarily in the Service segment, are classified as assets and liabilities held for sale. It is the Company's intention to complete the sale of these assets and liabilities within the next 12 months. These assets and liabilities held for sale were \$8 million and \$11 million, respectively, as of March 31, 2025, and \$25 million and \$9 million, respectively, as of December 31, 2024. The Company recorded an impairment loss of \$10 million related to the net assets held for sale in Other income (expense), net in the Condensed Consolidated Statements of Operations in the quarter ended March 31, 2025.

**Note 7: Borrowings and Lines of Credit**

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
Commercial paper	\$ —	\$ —
Other borrowings	40	51
Total short-term borrowings	<u>\$ 40</u>	<u>\$ 51</u>

**Commercial Paper.** As of March 31, 2025, there were no borrowings outstanding under the Company's \$1.5 billion commercial paper programs. We use our commercial paper borrowings for general corporate purposes including to finance acquisitions, pay dividends, repurchase shares and for debt refinancing. The need for commercial paper borrowings may arise if the use of domestic cash for general corporate purposes exceeds the sum of domestic cash generation and foreign cash repatriated to the U.S.

For details regarding the Company's short-term borrowing activity in 2024, refer to Note 9 of the Company's audited consolidated financial statements and notes thereto included in our 2024 [Form 10-K](#).

**Long-term debt.**

As of March 31, 2025, we had a revolving credit agreement with various banks providing for a \$1.5 billion unsecured, unsubordinated five-year revolving credit facility, maturing March 10, 2028. As of March 31, 2025, there were no borrowings under the revolving credit agreement. As of March 31, 2025, the Company is in compliance with all covenants in the revolving credit agreement and the indentures governing all outstanding long-term debt. Long-term debt consisted of the following:

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
2.056% notes due 2025	\$ 1,300	\$ 1,300
0.370% notes due 2026 (¥21.5 billion principal value)	143	137
0.318% notes due 2026 (€600 million principal value)	650	624
2.293% notes due 2027	500	500
2.875% notes due 2027 (€850 million principal value)	920	885
5.250% notes due 2028	750	750
2.565% notes due 2030	1,500	1,500
5.125% notes due 2031	600	600
0.934% notes due 2031 (€500 million principal value)	541	520
3.112% notes due 2040	750	750
3.362% notes due 2050	750	750
Other (including finance leases)	8	6
Total principal long-term debt	<u>8,412</u>	<u>8,322</u>
Other (discounts and debt issuance costs)	<u>(46)</u>	<u>(49)</u>
Total long-term debt	<u>8,366</u>	<u>8,273</u>
Less: current portion	<u>1,443</u>	<u>1,300</u>
Long-term debt, net of current portion	<u>\$ 6,923</u>	<u>\$ 6,973</u>

We may redeem any series of notes at our option pursuant to certain terms. For additional details regarding the Company's debt activity in 2024, refer to Note 9 of the Company's audited consolidated financial statements and notes thereto included in our 2024 [Form 10-K](#).

Debt discounts and debt issuance costs are presented as a reduction of debt on the Condensed Consolidated Balance Sheets and are amortized as a component of interest expense over the term of the related debt using the effective interest method. The Condensed Consolidated Statements of Operations for the quarters ended March 31, 2025 and 2024 reflects the following:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Debt issuance costs amortization	\$ 3	\$ 2
Total interest expense on external debt	57	43

The unamortized debt issuance costs as of March 31, 2025 and December 31, 2024 were \$42 million and \$45 million, respectively.

The weighted average maturity of our long-term debt as of March 31, 2025 is approximately 6.2 years. The weighted average interest expense rate on our borrowings outstanding as of March 31, 2025 and December 31, 2024 was as follows:

	March 31, 2025	December 31, 2024
Short-term commercial paper	—%	—%
Total long-term debt	2.7%	2.7%

The weighted average interest expense rate on our borrowings during the quarters ended March 31, 2025 and 2024 was as follows:

	Quarter Ended March 31,	
	2025	2024
Short-term commercial paper	—%	5.5%
Total long-term debt	2.7%	2.5%

#### Note 8: Employee Benefit Plans

**Pension and Postretirement Plans.** The Company sponsors both funded and unfunded domestic and foreign defined benefit pension and other postretirement benefit plans, and defined contribution plans. Contributions to our plans were as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Defined benefit plans	\$ 18	\$ 12
Defined contribution plans	21	20
Multi-employer pension and postretirement plans	39	40

The following table illustrates the components of net periodic benefit cost for the Company's defined benefit pension plans:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Service cost	\$ 8	\$ 8
Interest cost	8	8
Expected return on plan assets	(9)	(8)
Recognized actuarial net loss	1	—
Total net periodic benefit cost	\$ 8	\$ 8

**Postretirement Benefit Plans.** The Company sponsors postretirement benefit plans that provide health benefits to eligible retirees. The postretirement plans are unfunded. The net periodic benefit cost was less than \$1 million for the quarters ended March 31, 2025 and 2024.

**Stock-based Compensation.** The Company adopted the 2020 Long-Term Incentive Plan (the "Plan") effective April 3, 2020. As of March 31, 2025, approximately 18 million shares remain available for awards under the Plan.

The Company measures the cost of all share-based payments, including stock options, at fair value on the grant date and recognizes this cost in the Condensed Consolidated Statements of Operations over the award's applicable vesting period. A forfeiture rate assumption is applied on grant date to adjust the expense recognition for awards that are not expected to vest.

Stock-based compensation expense and the resulting tax benefits were as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Stock-based compensation expense (Share Based)	\$ 21	\$ 16
Less: future tax benefit	(2)	(2)
Stock-based compensation expense, net of tax	\$ 19	\$ 14

As of March 31, 2025, following our annual grant issuance on February 4, 2025, there was approximately \$148 million of total unrecognized compensation cost related to non-vested equity awards granted under the Plan. This cost is expected to be recognized ratably over a weighted-average period of 2.1 years.

#### **Note 9: Stock**

**Preferred Stock.** There are 125 million shares of \$0.01 par value Preferred Stock authorized, of which none were issued as of March 31, 2025 and December 31, 2024.

**Common Stock.** There are 2.0 billion shares of \$0.01 par value Common Stock authorized. As of March 31, 2025 and December 31, 2024, 439.1 million and 438.6 million shares of Common Stock were issued, respectively, which includes 43.6 million and 41.0 million shares of treasury stock, respectively.

**Treasury Stock.** As of December 31, 2024, the Company was authorized by the Board of Directors to purchase up to \$2.0 billion of Common Stock under a share repurchase program, of which \$200 million was remaining at such time.

On January 16, 2025, our Board of Directors revoked any remaining share repurchase authority under the prior share repurchase program and approved a new share repurchase program for up to \$2.0 billion of Common Stock, of which \$153 million had been utilized as of March 31, 2025.

During the quarters ended March 31, 2025 and 2024, the Company repurchased 2.6 million and 3.4 million shares, respectively, for \$253 million and \$300 million, respectively. Share repurchases in excess of issuances are subject to a 1% excise tax, which is included as part of the cost basis of the shares acquired in Treasury Stock on the Condensed Consolidated Balance Sheets, as well as within financing activities in the Condensed Consolidated Statements of Cash Flows when paid.

The Company's share repurchase program does not obligate it to acquire any specific number of shares. Under this program, shares may be purchased in the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

**Note 10: Accumulated Other Comprehensive Income (Loss)**

A summary of the changes in each component of Accumulated other comprehensive income (loss), net of tax, for the quarters ended March 31, 2025 and 2024 is provided below:

<i>(dollars in millions)</i>	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
<b>Quarter Ended March 31, 2025</b>				
Balance as of December 31, 2024	\$ (672)	\$ (76)	\$ 3	\$ (745)
Other comprehensive income (loss) before reclassifications, net	(127)	—	(1)	(128)
Amounts reclassified, pre-tax	—	1	1	2
Tax benefit reclassified	—	—	—	—
Balance as of March 31, 2025	<u>\$ (799)</u>	<u>\$ (75)</u>	<u>\$ 3</u>	<u>\$ (871)</u>

<i>(dollars in millions)</i>	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
<b>Quarter Ended March 31, 2024</b>				
Balance as of December 31, 2023	\$ (673)	\$ (78)	\$ 1	\$ (750)
Other comprehensive income (loss) before reclassifications, net	(18)	9	2	(7)
Amounts reclassified, pre-tax	—	—	1	1
Tax benefit reclassified	—	—	—	—
Balance as of March 31, 2024	<u>\$ (691)</u>	<u>\$ (69)</u>	<u>\$ 4</u>	<u>\$ (756)</u>

Amounts reclassified that relate to defined benefit pension and postretirement plans include amortization of prior service costs and actuarial net losses recognized during each period presented. These costs are recorded as components of net periodic pension cost for each period presented. See Note 8, "Employee Benefit Plans" for additional information.

**Note 11: Income Taxes**

The increase in the effective tax rate for the quarter ended March 31, 2025, is primarily the result of the tax effect of the increase in our estimated nondeductible TMA indemnity obligation payable to RTX, partially offset by a foreign valuation allowance release.

Otis conducts business globally and, as a result, Otis or one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the ordinary course of business, Otis could be subject to examination by taxing authorities throughout the world, including such major jurisdictions as Austria, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, Japan, Mexico, Netherlands, Portugal, South Korea, Spain, Switzerland, the United Kingdom and the U.S. With a few exceptions, Otis is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for years before 2015.

A subsidiary of Otis lost a tax litigation case in Belgium in 2023 and decided not to appeal. Otis expects to receive the assessment for tax and interest in 2025. The associated tax and interest have been fully reserved.

See Note 16, "Contingent Liabilities" for discussion regarding the German tax litigation.

**Note 12: Restructuring and Transformation Costs**

We initiate restructuring actions to keep our cost structure competitive. Charges generally arise from severance related to workforce reductions, and to a lesser degree, facility exit and lease termination costs associated with the consolidation of office and manufacturing operations. Due to the size, nature and frequency of these discrete actions, they are fundamentally different from the Company's ongoing productivity initiatives.

During the quarters ended March 31, 2025 and 2024, we recorded restructuring costs for new and ongoing restructuring actions, including UpLift actions, as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31, 2025			Quarter Ended March 31, 2024		
	UpLift	Other	Total	UpLift	Other	Total
Cost of products and services sold	\$ 9	\$ 15	\$ 24	\$ —	\$ 5	\$ 5
Selling, general and administrative	11	8	19	1	14	15
<b>Total</b>	<b>\$ 20</b>	<b>\$ 23</b>	<b>\$ 43</b>	<b>\$ 1</b>	<b>\$ 19</b>	<b>\$ 20</b>

Restructuring costs incurred and expected, unless otherwise indicated, are related approximately 30% to New Equipment and 70% to Service.

**UpLift Restructuring Actions and Transformation Costs.** In 2023, we announced UpLift to transform our operating model. UpLift includes, among other aspects, the standardization of our processes and improvement of our supply chain procurement, as well as organizational changes which result in restructuring actions.

UpLift restructuring actions were approved in the years ended December 31, 2023 and 2024, as well as in the quarter ended March 31, 2025, with further actions expected through the year ending December 31, 2025. These costs are primarily severance related costs. We expect these actions initiated to be substantially completed and cash to be paid by the end of 2025. Expected total costs and remaining costs to incur for the actions initiated are approximately \$110 million and \$34 million, respectively.

In the quarters ended March 31, 2025 and 2024, we incurred \$23 million and \$12 million, respectively, of incremental, non-restructuring costs associated with transforming our operating model as a part of UpLift ("UpLift transformation costs"), which are recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations. The UpLift transformation costs are primarily for consultants, third-party service providers and personnel focused on designing and implementing a centralized service delivery model that supports our new organizational structure, including the standardization of our supply chain and digital technology procurement.

**Other Restructuring Actions.** The other restructuring expenses incurred during the quarters ended March 31, 2025 and 2024, were primarily the result of restructuring programs initiated during 2025 and 2024 related to severance and facility exit costs. We are targeting to complete in 2025 the majority of the remaining restructuring actions initiated in the quarter ended March 31, 2025 and the full year 2024, with certain utilization beyond 2025 due to contractual obligations or legal requirements in the applicable jurisdictions. Expected total costs and remaining costs to incur for the other restructuring actions initiated are \$81 million and \$46 million, respectively. Expected total and remaining costs are related approximately 60% to New Equipment and 40% to Service.

*Reorganization of Operations in China*

In January 2025, we announced the reorganization of our operations in China. Among other aspects, this reorganization will result in restructuring actions of approximately \$40 million. These actions include severance related costs, and we expect these actions to be mostly completed and any cash to be paid by the end of 2025. Amounts related to the reorganization of operations in China are included within Other restructuring.

**Restructuring Accruals.** The following table summarizes the accrual balance and utilization for restructuring actions, which are primarily for severance costs:

<i>(dollars in millions)</i>	UpLift Actions	Other Actions	Total Restructuring Actions
Restructuring accruals as of December 31, 2024	\$ 13	\$ 24	\$ 37
Net restructuring costs	20	23	43
Utilization, foreign exchange and other costs	(11)	(14)	(25)
Restructuring accruals as of March 31, 2025	<u>\$ 22</u>	<u>\$ 33</u>	<u>\$ 55</u>

### Note 13: Financial Instruments

We enter into derivative instruments primarily for risk management purposes, including derivatives designated as hedging instruments under ASC 815, *Derivatives and Hedging*. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, commodity prices and foreign exchange rates. These fluctuations can increase the costs of financing, investing in and operating the business. We may use derivative instruments, including swaps, forward contracts and options, to manage certain foreign currency, commodity price and interest rate exposures.

The four-quarter average of the notional amount of foreign exchange contracts hedging foreign currency transactions was approximately \$5.3 billion as of March 31, 2025 and December 31, 2024. The four-quarter average of the notional amount of contracts hedging commodity purchases was \$14 million as of March 31, 2025 and December 31, 2024.

The following table summarizes the fair value and presentation on the Condensed Consolidated Balance Sheets for derivative instruments as of March 31, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	Balance Sheet Classification	March 31, 2025	December 31, 2024
<b>Derivatives designated as Cash flow hedging instruments:</b>			
	<u>Asset Derivatives:</u>		
Foreign exchange contracts	Other current assets	\$ 5	\$ 5
Foreign exchange contracts	Other assets	3	4
	Total asset derivatives	<u>\$ 8</u>	<u>\$ 9</u>
	<u>Liability Derivatives:</u>		
Foreign exchange contracts	Accrued liabilities	\$ (3)	\$ (4)
Foreign exchange contracts	Other long-term liabilities	(1)	(1)
	Total liability derivatives	<u>\$ (4)</u>	<u>\$ (5)</u>
<b>Derivatives not designated as Cash flow hedging instruments:</b>			
	<u>Asset Derivatives:</u>		
Foreign exchange contracts	Other current assets	\$ 33	\$ 53
Commodity contracts	Other current assets	1	—
Foreign exchange contracts	Other assets	4	6
	Total asset derivatives	<u>\$ 38</u>	<u>\$ 59</u>
	<u>Liability Derivatives:</u>		
Foreign exchange contracts	Accrued liabilities	\$ (14)	\$ (39)
Foreign exchange contracts	Other long-term liabilities	(4)	(6)
	Total liability derivatives	<u>\$ (18)</u>	<u>\$ (45)</u>

**Derivatives designated as Cash flow hedging instruments.** The amount of gain or (loss) attributable to foreign exchange and commodity contract activity reclassified from Accumulated other comprehensive income (loss) for the quarters ended March 31, 2025 and 2024 was immaterial, and is presented in Note 10, "Accumulated Other Comprehensive Income (Loss)".

The effect of cash flow hedging relationships on Accumulated other comprehensive income (loss) as of March 31, 2025 and December 31, 2024 are presented in the table below:

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
Gain (loss) recorded in Accumulated other comprehensive income (loss)	\$ 3	\$ 3

The Company utilizes the critical terms match method in assessing firm commitment derivatives and regression testing in assessing commodity derivatives for hedge effectiveness. Accordingly, the hedged items and derivatives designated as hedging instruments are highly effective.

Assuming current market conditions continue, pre-tax gains of less than \$1 million are expected to be reclassified from Accumulated other comprehensive income (loss) into Cost of products sold to reflect the fixed prices obtained from foreign exchange and commodity hedging within the next 12 months. All derivative contracts accounted for as cash flow hedges as of March 31, 2025 will mature by December 2028.

**Net Investment Hedges.** We may use non-derivative instruments (foreign currency denominated borrowings) and derivative instruments (foreign exchange forward contracts) to hedge portions of the Company's investments in foreign subsidiaries and manage foreign exchange risk. For instruments that are designated and qualify as a hedge of net investment in foreign operations and that meet the effectiveness requirements, the net gains or losses attributable to changes in spot exchange rates are recorded in foreign currency translation within Other comprehensive income (loss) on the Condensed Consolidated Statements of Comprehensive Income, and will remain in Accumulated other comprehensive income (loss) until the hedged investment is sold or substantially liquidated. The remainder of the change in value of such instruments is recorded in earnings, including to the extent foreign currency denominated borrowings are not designated in, or are de-designated from, a net investment hedge relationship.

Our use of derivative instruments designated as hedges of the Company's net investment in foreign subsidiaries can vary depending on the Company's desired foreign exchange risk coverage.

We have ¥21.5 billion of Japanese Yen denominated long-term debt that qualifies as a net investment hedge against our investments in Japanese businesses, as well as derivative instruments that qualify as net investment hedges against our investments in certain European businesses (notional amount of €164 million) and Asian businesses (notional amount of HK\$1.8 billion). The net investment hedges are deemed to be effective. The maturity dates of the current non-derivative and derivative instruments designated in net investment hedges range from 2025 to 2026.

During the quarter ended March 31, 2025, we de-designated two derivative instruments that qualified as net investment hedges in certain European and Asian businesses with notional amounts of €120 million and ¥2.1 billion respectively, which were deemed to be effective until de-designation.

The following table summarizes the amounts of gains (losses) recognized in other comprehensive income (loss) related to non-derivative and derivative instruments designated as net investment hedges:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Foreign currency denominated long-term debt	\$ (6)	\$ 8
Foreign currency forward contracts	5	—
Total	\$ (1)	\$ 8

**Derivatives not designated as Cash flow hedging instruments.** The net effect of derivatives not designated as Cash flow hedging instruments within Other income (expense) net, on the Condensed Consolidated Statements of Operations was as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Foreign exchange contracts	\$ 6	\$ (1)

The effects of derivatives not designated as Cash flow hedge instruments within Cost of products sold on the Condensed Consolidated Statements of Operations were gains of \$2 million and losses of less than \$1 million in the quarters ended March 31, 2025 and 2024, respectively.

**Note 14: Fair Value Measurements**

**Valuation Techniques.** Our marketable securities include investments that are traded in active markets, either domestically or internationally, and are measured at fair value using closing stock prices from active markets. The fair value gains or losses related to our marketable securities are recorded through net income. Our derivative assets and liabilities include foreign exchange and commodity contracts that are measured at fair value using internal and third party models based on observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risks.

As of March 31, 2025, there has not been any significant impact to the fair value of our derivative liabilities due to our own credit risk. Similarly, there has not been any significant adverse impact to our derivative assets based on our evaluation of our counterparties' credit risks.

Due to their short-term nature, the carrying value approximated fair value for the current portion of the Company's financial instruments not carried at fair value. The fair value of receivables, including customer financing notes receivable, net, that were issued long-term are based on the discounted values of their related cash flows at interest rates reflecting the attributes of the counterparties, including geographic location. Customer-specific risk, including credit risk, is already considered in the carrying value of those receivables. Our long-term debt, as described in Note 7, "Borrowings and Lines of Credit", is measured at fair value using closing bond prices from active markets.

**Recurring Fair Value Measurements.** In accordance with the provisions of ASC 820: *Fair Value Measurements*, the following tables provide the valuation hierarchy classification of assets and liabilities that are carried at fair value and measured on a recurring and non-recurring basis in our Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	March 31, 2025			
	Total	Level 1	Level 2	Level 3
<b>Recurring fair value measurements:</b>				
Marketable securities	\$ 45	\$ 45	\$ —	\$ —
Derivative assets	46	—	46	—
Derivative liabilities	(22)	—	(22)	—

<i>(dollars in millions)</i>	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<b>Recurring fair value measurements:</b>				
Marketable securities	\$ 44	\$ 44	\$ —	\$ —
Derivative assets	68	—	68	—
Derivative liabilities	(50)	—	(50)	—

**Fair Value of Financial Instruments.** The following table provides carrying amounts and fair values of financial instruments that are not carried at fair value as of March 31, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	March 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term receivables, net	\$ 50	\$ 49	\$ 47	\$ 46
Customer financing notes receivable, net	22	20	21	19
Short-term borrowings	(40)	(40)	(51)	(51)
Long-term debt, including current portion (excluding leases and other)	(8,404)	(7,752)	(8,316)	(7,600)
Long-term liabilities, including current portion	(132)	(125)	(132)	(123)

The following tables provide the valuation hierarchy classification of assets and liabilities that are not carried at fair value in the Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024:

<i>(dollars in millions)</i>	March 31, 2025			
	Total	Level 1	Level 2	Level 3
Long-term receivables, net	\$ 49	\$ —	\$ 49	\$ —
Customer financing notes receivable, net	20	—	20	—
Short-term borrowings	(40)	—	(40)	—
Long-term debt, including current portion (excluding leases and other)	(7,752)	—	(7,752)	—
Long-term liabilities, including current portion	(125)	—	(125)	—

<i>(dollars in millions)</i>	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Long-term receivables, net	\$ 46	\$ —	\$ 46	\$ —
Customer financing notes receivable, net	19	—	19	—
Short-term borrowings	(51)	—	(51)	—
Long-term debt, including current portion (excluding leases and other)	(7,600)	—	(7,600)	—
Long-term liabilities, including current portion	(123)	—	(123)	—

#### Note 15: Guarantees

The Company provides service and warranty on its products beyond normal service and warranty policies. The carrying amount of service and product guarantees were \$15 million and \$16 million as of March 31, 2025 and December 31, 2024, respectively.

The Company provides certain financial guarantees to third parties. As of March 31, 2025, Otis has stand-by letters of credit with maximum potential payment totaling \$145 million. We accrue costs associated with guarantees when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts, and where no amount within a range of estimates is more likely, the minimum is accrued. In accordance with ASC Topic 460: *Guarantees*, we record these liabilities at fair value. As of March 31, 2025, Otis has determined there are no estimated costs probable under these guarantees.

## **Note 16: Contingent Liabilities**

Except as otherwise noted, while we are unable to predict the final outcome, based on information currently available, we do not believe that resolution of any of the following matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition. In addition to the specific amounts noted below, where we have recorded loss contingency accruals for the below and other matters, the amounts in aggregate are not material. Legal costs generally are expensed when incurred.

For details regarding the Company's outstanding liability for environmental obligations, refer to Note 21 of the Company's audited consolidated financial statements and notes thereto included in our 2024 [Form 10-K](#).

### **Legal Proceedings.**

#### *German Tax Litigation*

In the third quarter of 2024, Otis prevailed in a German tax litigation case stemming from the 1998 reorganization of the Company's operations in Germany. As a result of winning the case, the Company expects to receive a refund of prepaid tax, prepaid interest, overpayment interest, and court fees of approximately €306 million net of tax (approximately \$330 million as of March 31, 2025). The refund will be paid to the Company over several quarters, anticipated to start in 2025.

The recoveries related to this matter are allocated between RTX and the Company pursuant to the terms of the TMA with our former parent, UTC, by way of indemnification payments. As of December 31, 2024, the Company estimated the tax and interest to be paid to RTX as a result of this recovery to be \$194 million and recorded this amount in its financial statements for the year ended December 31, 2024. Based on additional information received from RTX in the quarter ended March 31, 2025, the Company now estimates the tax and interest to be paid to RTX to be \$246 million and has recorded the additional \$52 million in its Condensed Consolidated Financial Statements. This estimate could further change due to the Company's limited access to information held by RTX and the parties' continuing discussion to resolve the scope of the indemnity obligation and the final indemnity amount.

See Note 1, "General" for additional information on the impacts of the TMA activity to the Condensed Consolidated Financial Statements as of and for the quarter ended March 31, 2025.

#### *Asbestos Matters*

We have been named as defendants in lawsuits alleging personal injury as a result of exposure to asbestos. While we have never manufactured any asbestos-containing component parts, and no longer incorporate asbestos in any current products, certain of our historical products have contained components manufactured by third parties incorporating asbestos. A substantial majority of these asbestos-related claims have been dismissed without payment or were covered in full or in part by insurance or other forms of indemnity. Additional cases were litigated and settled without any insurance reimbursement. The amounts involved in asbestos-related claims were not material individually or in the aggregate as of and for the periods ended March 31, 2025 and December 31, 2024.

The estimated range of total liabilities to resolve all pending and unasserted potential future asbestos claims through 2059 is approximately \$11 million to \$21 million as of March 31, 2025 and December 31, 2024. Since no amount within the range of estimates is more likely to occur than any other, we have recorded the minimum amount of \$10 million (including \$1 million of payments made in the quarter ended March 31, 2025) and \$11 million as of March 31, 2025 and December 31, 2024, respectively, which is principally recorded in Other long-term liabilities on our Condensed Consolidated Balance Sheets. Amounts are on a pre-tax basis, not discounted, and exclude the Company's legal fees to defend the asbestos claims (which will continue to be expensed as they are incurred). In addition, the Company has an insurance recovery receivable for probable asbestos-related recoveries of approximately \$3 million as of March 31, 2025 and December 31, 2024, which is principally included in Other assets on our Condensed Consolidated Balance Sheets.

**Other.** We have commitments and contingent liabilities related to legal proceedings, self-insurance programs and matters arising out of the normal course of business. We accrue contingencies based on a range of possible outcomes. If no amount within this range is a better estimate than any other, we accrue the minimum amount. While it is not possible to determine the ultimate disposition of each of these claims and whether they will be resolved consistent with our beliefs, we expect that the outcome of such claims, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows or results of operations.

In certain European countries, claims for overcharges on elevators and escalators related to civil cartel cases have been made, which we have accrued for based on our evaluation of the claims. While it is not possible to determine the ultimate disposition of each of these claims and whether they will be resolved consistent with our beliefs, we do not believe these matters will have a material impact on our business, financial condition, cash flows or results of operations due to our historical settlement experience and the limited number of remaining claims.

In the ordinary course of business, the Company is also routinely a defendant in, party to or otherwise subject to many pending and threatened legal actions, claims, disputes and proceedings. These matters are often based on alleged violations of contract, product liability, warranty, regulatory, environmental, health and safety, employment, intellectual property, tax and other laws. In some of these proceedings, claims for substantial monetary damages are asserted against the Company and its subsidiaries and could result in fines, penalties, compensatory or treble damages or non-monetary relief. We do not believe that these matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition.

Refer to Note 17 for information about litigation-related settlement costs recognized in the quarter ended March 31, 2025 for certain legal matters that are outside of the ordinary course of business.

#### **Note 17: Segment Financial Data**

Our operations are classified into two operating segments: New Equipment and Service. Through the New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators as well as escalators and moving walkways to customers in the residential, commercial and infrastructure projects. The Service segment provides maintenance and repair services for both our products and those of other manufacturers, and provides modernization services to upgrade elevators and escalators. The operating segments are generally based on the management structure of the Company, as well as how management allocates resources, assesses performance and makes strategic and operational decisions.

**Segment Information.** Otis discloses segment operating profit as its measure of segment performance, reconciled to Net income before income taxes. Segment operating profit excludes certain expenses and income that are not allocated to segments (as described below in "Corporate and Unallocated").

Otis' Chief Operating Decision Maker ("CODM"), is the Company's Chief Executive Officer. The CODM assesses the performance of each operating segment and allocates resources to those segments based on net sales and segment operating profit. The CODM compares segment operating profit results to prior periods and forecasted amounts to assess performance and to make decisions regarding the allocation of capital and other investments. The discrete asset information for each segment is not presented to, or reviewed by, the CODM.

Segment information for the quarter ended March 31, 2025 is as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31, 2025		
	New Equipment	Service	Total
Net Sales	\$ 1,163	\$ 2,187	\$ 3,350
Costs and expenses:			
Cost of sales	962	1,363	2,325
Selling, general and administrative	110	282	392
Other including research and development	25	5	30
Total segment operating profit	\$ 66	\$ 537	603
Corporate and Unallocated			
General corporate expenses and other			43
UpLift restructuring			20
Other restructuring			23
UpLift transformation costs			23
Separation-related adjustments			52
Litigation-related settlement costs			21
Held for sale impairment			10
Total company operating profit			411
Non-service pension cost (benefit)			—
Interest expense (income), net			45
Net income before income taxes			\$ 366

Segment information for the quarter ended March 31, 2024 is as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31, 2024		
	New Equipment	Service	Total
Net Sales	\$ 1,280	\$ 2,157	\$ 3,437
Costs and expenses:			
Cost of sales	1,065	1,339	2,404
Selling, general and administrative	121	291	412
Other including research and development	23	4	27
Total segment operating profit	\$ 71	\$ 523	594
Corporate and Unallocated			
General corporate expenses and other			33
UpLift restructuring			1
Other restructuring			19
UpLift transformation costs			12
Separation-related adjustments			(15)
Total company operating profit			544
Non-service pension cost (benefit)			—
Interest expense (income), net			44
Net income before income taxes			\$ 500

Corporate and Unallocated includes adjustments related to the Separation, litigation-related settlement costs, impairment loss related to net assets held for sale, restructuring costs and UpLift transformation costs.

Separation-related adjustments, represent net adjustments of amounts due to and from RTX in accordance with the TMA. Separation-related adjustments in 2025 represent amounts due to RTX related to a favorable ruling received in August 2024 regarding the German tax litigation. Separation-related adjustments in 2024 include a reduction of our contractual indemnity obligation payable to RTX that resulted from the TMA and receipts from RTX in accordance with the TMA. These adjustments are recorded in Other income (expense), net in our Condensed Consolidated Statements of Operations during the quarters ended March 31, 2025 and 2024, respectively. See Note 11, "Income Taxes" and Note 16, "Contingent Liabilities" for additional information about the German tax litigation.

Litigation-related settlement costs in quarter ended March 31, 2025 represent the aggregate amount of settlement costs and increase in loss contingency accruals, excluding legal costs, for certain legal matters that are outside of the ordinary course of business due to the size, complexity and/or unique facts of these matters.

Impairment loss related to net assets held for sale is recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations in the quarter ended March 31, 2025. See Note 6, "Business Acquisitions, Dispositions, Goodwill and Intangible Assets" for additional information about the held for sale assets and liabilities.

Refer to Note 12, "Restructuring and Transformation Costs" for more information about restructuring and UpLift transformation costs.

#### **Note 18: Accounting Pronouncements**

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), which provides temporary optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments in ASU 2020-04 apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. Additionally, in December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): *Deferral of the Sunset Date of Topic 848* ("ASU 2022-06"), which allows ASU 2020-04 to be adopted and applied prospectively to contract modifications made on or before December 31, 2024. The adoption of this ASU did not have a material impact on our Condensed Consolidated Financial Statements.

In September 2022, the FASB issued ASU 2022-04, Liabilities - Supplier Finance Programs (Topic 450-50): *Disclosure of Supplier Finance Program Obligations*, which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose the key terms of the programs and information about obligations outstanding at the end of the reporting period, including a rollforward of those obligations. The guidance does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. ASU 2022-04 is effective for fiscal years beginning after December 15, 2022, except for the disclosure of rollforward information, which is effective for fiscal years beginning after December 15, 2023. The adoption of this ASU did not have a material impact on our Condensed Consolidated Financial Statements, as disclosed in Note 1, "General".

In August 2023, the FASB issued ASU 2023-05, Business Combinations - Joint Ventures Formations (Subtopic 805-60): *Recognition and initial measurement* ("ASU 2023-05"), which requires that joint ventures, upon formation, apply a new basis of accounting by initially measuring assets and liabilities at fair value. The amendments in ASU 2023-05 are effective for joint ventures that are formed on or after January 1, 2025. The adoption of this ASU did not have a material impact on our Condensed Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): *Improvements to Reportable Segment Disclosures*. The amendments in this update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023. We adopted this standard effective for the reporting period December 31, 2024. The adoption of this standard resulted in additional disclosure. See Note 17, "Segment Financial Data" for further details.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. The amendments in this update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024. The adoption of this ASU results in additional annual disclosure, but did not impact our condensed consolidated financial position, results of operations, or cash flows.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*. The amendments in this update require disclosure, in the notes to financial statements, on disaggregated information about specific categories underlying certain income statement expense line items that are considered relevant which among other items include items such as the purchase of inventory, employee compensation, depreciation, and intangible asset amortization. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. Adoption of this ASU will result in additional disclosure, but will not impact our consolidated financial position, results of operations, or cash flows.

Other new accounting pronouncements issued but not effective until after March 31, 2025 did not and are not expected to have a material impact on our financial position, results of operations or liquidity.

**Note 19: Subsequent Events**

On April 7, 2025, the Company redeemed its \$1.3 billion principal amount of 2.056% notes due in 2025, at par, using cash on hand and commercial paper borrowings. See Note 7, "Borrowings and Line of Credit" for details of the long-term debt.

With respect to the unaudited condensed consolidated financial information of Otis Worldwide Corporation for the quarters ended March 31, 2025 and 2024, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") reported that it has applied limited procedures in accordance with professional standards for a review of such information. However, its report dated April 24, 2025, appearing below, states that the firm did not audit and does not express an opinion on that unaudited condensed consolidated financial information. PricewaterhouseCoopers has not carried out any significant or additional review procedures beyond those that would have been necessary if their report had not been included. Accordingly, the degree of reliance on its report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended ("the Act") for its report on the unaudited condensed consolidated financial information because that report is not a "report" or a "part" of a registration statement prepared or certified by PricewaterhouseCoopers within the meaning of Sections 7 and 11 of the Act.

### **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Otis Worldwide Corporation

#### ***Results of Review of Interim Financial Information***

We have reviewed the accompanying condensed consolidated balance sheet of Otis Worldwide Corporation and its subsidiaries (the "Company") as of March 31, 2025, and the related condensed consolidated statements of operations, of comprehensive income, of changes in equity and of cash flows for the three-month periods ended March 31, 2025 and 2024, including the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2024, and the related consolidated statements of operations, of comprehensive income, of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 4, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

#### ***Basis for Review Results***

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut  
April 24, 2025

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations****BUSINESS OVERVIEW****Business Summary**

We are the world's leading elevator and escalator manufacturing, installation and service company. Our Company is organized into two segments, New Equipment and Service. Through our New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways for residential and commercial buildings and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, commercial, retail or mixed-use activity. We sell our New Equipment directly to customers, as well as through agents and distributors.

Through our Service segment, we perform maintenance and repair services for both our own products and those of other manufacturers and provide modernization services to upgrade elevators and escalators. Maintenance services include inspections to ensure code compliance, preventive maintenance offerings and other customized maintenance offerings tailored to meet customer needs, as well as repair services to address equipment and component wear and tear and breakdowns. Modernization services enhance equipment operation and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics to complex upgrades of larger components and sub-systems. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

We serve our customers through a global network of employees. These include sales personnel, field technicians with separate skills in performing installation and service, as well as engineers driving our continued product development and innovation. We function under a centralized operating model whereby we pursue a global strategy set around New Equipment and Service because we seek to grow our maintenance portfolio, in part, through the conversion of new elevator and escalator installations into service contracts. Accordingly, we benefit from an integrated global strategy, which sets priorities and establishes accountability across the full product lifecycle.

The current status of significant factors affecting our business environment in 2025 is discussed below. For additional discussion, refer to the "Business Overview" section in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2024 [Form 10-K](#).

For discussion of Otis' ESG goals and risks associated therewith, see the discussion under "Environmental, Social and Governance ("ESG")" in Item 1 and under Item 1A. "Risk Factors" in our 2024 [Form 10-K](#).

***UpLift***

Announced in July 2023, UpLift is a program with the goal of transforming our operating model. UpLift includes the standardization of our processes and improvement of our supply chain procurement, among other aspects of the program, as well as organizational changes which result in restructuring actions. We expect UpLift to generate approximately \$200 million in annual run-rate savings by second half of 2025, with restructuring and other incremental costs to complete the transformation ("UpLift transformation costs") of approximately \$300 million.

UpLift costs incurred in the quarters ended March 31, 2025 and 2024 are as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
UpLift restructuring costs	\$ 20	\$ 1
UpLift transformation costs	23	12
Total UpLift costs	\$ 43	\$ 13

Total UpLift costs incurred to date are \$180 million, including \$76 million of UpLift restructuring costs and \$104 million of UpLift transformation costs.

UpLift restructuring costs are primarily severance costs and are recorded primarily in Selling, general and administrative in the Condensed Consolidated Statements of Operations. UpLift transformation costs are primarily for consultants, third-party service providers and personnel focused on designing and implementing a centralized service delivery model that supports our new organizational structure, including the standardization of our supply chain and digital technology procurement. These costs are recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations.

For further details, refer to the discussion on restructuring costs in the "Results of Operations," as well as Note 12 to the Condensed Consolidated Financial Statements.

### **German Tax Litigation**

In August 2024, we received a favorable ruling regarding a German tax litigation. As a result, we recorded income tax benefits of approximately \$185 million and related interest income of approximately \$200 million, which were included in Income tax expense (benefit), net and Interest expense (income), net, respectively, in the Consolidated Statements of Operations for the year ended December 31, 2024. Additionally, pursuant to the Tax Matters Agreement ("TMA") with RTX Corporation ("RTX", our former parent) and based on the facts and contractual provisions at the time, the Company recorded indemnification expense and payable of \$194 million for amounts due to RTX resulting from the outcome of the German tax litigation. This expense was included in Other income (expense), net in the Consolidated Statements of Operations for the year ended December 31, 2024.

Based on additional information received from RTX during the quarter ended March 31, 2025, the Company now estimates the amount payable to RTX to be \$246 million, resulting in indemnification expense of \$52 million in the quarter ended March 31, 2025. This indemnification expense is included in Other income (expense), net in the Condensed Consolidated Statements of Operations for the quarter ended March 31, 2025. This estimate could further change due to the Company's limited access to information held by RTX and the parties' continuing discussion to resolve the scope of the indemnity obligation and the final indemnity amount.

For further details, refer to Note 11 and Note 16 to the Condensed Consolidated Financial Statements, as well as our Consolidated Financial Statements in the 2024 [Form 10-K](#).

### **Impact of Global Macroeconomic Conditions on Our Company**

Global macroeconomic conditions have impacted, and continue to impact, aspects of the Company's operations and overall financial performance during the quarters ended March 31, 2025 and 2024. These macroeconomic conditions include, among others, inflationary pressures, high interest rates, tighter credit conditions and changes in global trade policies including higher tariffs in the U.S. and other countries. These macroeconomic trends could continue to impact our business, including impacts to overall financial performance during the remainder of 2025, as a result of the following, among other things:

- Higher costs of products and services due to tariffs;
- Customer demand impacting our new equipment, maintenance and repair, and modernization businesses;
- Customer liquidity constraints and related credit reserve;
- Cancellations or delays of customer orders; and
- Supplier liquidity, as well as supplier and raw material capacity constraints, delays and related costs.

Other than the estimated potential impact from new tariffs currently in effect of approximately \$45 million to \$75 million, we currently do not expect any significant impact to our capital and financial resources from these macroeconomic conditions, including to our overall liquidity position based on our available cash and cash equivalents and our access to credit facilities and the capital markets.

See the "Liquidity and Financial Condition" section in this Form 10-Q for further detail and Item 1A. "Risk Factors" in our 2024 [Form 10-K](#) for macroeconomic risks related to our business.

***Risks Associated with Ongoing Conflicts***

The ongoing conflict between Russia and Ukraine has resulted in worldwide geopolitical and macroeconomic uncertainty, including volatile commodity markets, foreign exchange fluctuations, supply chain disruptions, increased risk of cybersecurity incidents, reputational risk, increased operating costs (including fuel and other input costs), environmental, health and safety risks related to securing and maintaining facilities, additional sanctions and other regulations (including restrictions on the transfer of funds to and from Russia). We do not have operations in Russia.

To the extent possible, we continue to operate our business in Ukraine, which represented less than 1% of our revenue and operating profit for the quarter ended March 31, 2025 and year ended December 31, 2024.

Additionally, we do not have operations or material net sales in Israel or Gaza. Although we have operations in the Middle East and transport products through the Red Sea, we currently do not expect the recent conflicts in that region to have a material impact on our business.

We cannot predict how the events described above will evolve. Depending on the ultimate outcomes of these conflicts, which remain uncertain, they could heighten certain risks disclosed in Item 1A. "Risk Factors" in our 2024 [Form 10-K](#), including but not limited to, adverse effects on macroeconomic conditions, including increased inflation, constraints on the availability of commodities, supply chain disruption and decreased business spending; cyber-incidents; disruptions to our or our business partners' global technology infrastructure, including through cyber-attack or cyber-intrusion; adverse changes in international trade policies and relations; claims, litigation and regulatory enforcement; our ability to implement and execute our business strategy; terrorist activities; our exposure to foreign currency fluctuations; reputational risk; and constraints, volatility, or disruption in the capital markets, any of which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

**CRITICAL ACCOUNTING ESTIMATES**

Preparation of our Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The accounting policies that involve the most significant estimates, assumptions and management judgments used in preparation of the Condensed Consolidated Financial Statements, or are the most sensitive to change due to outside factors, are discussed in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates" included in our 2024 [Form 10-K](#). Except as disclosed in Note 18 to our Condensed Consolidated Financial Statements in this Form 10-Q, pertaining to adoption of new accounting pronouncements, there have been no material changes in these policies.

**RESULTS OF OPERATIONS**

**Net Sales**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Net sales	\$ 3,350	\$ 3,437
Percentage change year-over-year	(3)%	

The factors contributing to the total percentage change year-over-year in total Net sales for the quarter ended March 31, 2025 are as follows:

Components of Net sales change:	Quarter Ended March 31, 2025
Organic volume	— %
Foreign currency translation	(3)%
Acquisitions and divestitures, net	— %
Total % change	(3)%

The Organic volume was flat for the quarter ended March 31, 2025 with an organic increase of 4% in Service being offset by an organic decrease of (7)% in New Equipment.

See the "Segment Review" section for a discussion of Net sales by segment.

**Cost of Products and Services Sold**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Total cost of products and services sold	\$ 2,349	\$ 2,409
Percentage change year-over-year	(2)%	

The factors contributing to the percentage change year-over-year for the quarter ended March 31, 2025 in total cost of products and services sold are as follows:

Components of Cost of Products and Services Sold change:	Quarter Ended March 31, 2025
Organic volume	— %
Foreign currency translation	(3)%
Acquisitions and divestitures, net and other	1 %
Total % change	(2)%

The Organic volume was flat for total cost of products and services sold for the quarter ended March 31, 2025 primarily driven by the organic sales changes noted above. Productivity and lower commodity prices, primarily steel, were offset by inflationary pressures, including higher labor costs and higher Service-related material costs.

**Gross Margin**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Gross margin	\$ 1,001	\$ 1,028
Gross margin percentage	29.9 %	29.9 %

Gross margin percentage was flat for the quarter ended March 31, 2025, when compared to the same period in 2024, due to Service sales growing faster than New Equipment sales, the benefits from productivity and lower commodity prices, offset by the inflationary pressures described above.

See the "Segment Review" section below for discussion of operating results by segment.

**Research and Development**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Research and development	\$ 37	\$ 36
Percentage of Net sales	1.1 %	1.0 %

Research and development was relatively flat for the quarter ended March 31, 2025, when compared to the same period in 2024.

## Selling, General and Administrative

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Selling, general and administrative	\$ 464	\$ 462
Percentage of Net sales	13.9 %	13.4 %

Selling, general and administrative expenses increased \$2 million for the quarter ended March 31, 2025, when compared to the same period in 2024, driven by annual wage increases and higher restructuring costs, partially offset by savings resulting from UpLift, lower credit loss reserves, and favorable foreign exchange impacts.

Selling, general and administrative expenses as a percentage of Net sales increased 50 basis points for the quarter ended March 31, 2025, when compared to the same period in 2024.

## Restructuring Costs

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
UpLift restructuring	\$ 20	\$ 1
Other restructuring	23	19
Total restructuring costs	\$ 43	\$ 20

We initiate restructuring actions to keep our cost structure competitive. Charges generally arise from severance related to workforce reductions and, to a lesser degree, facility exit and lease termination costs associated with the consolidation of office and manufacturing operations. We continue to closely monitor the economic environment and may undertake further restructuring actions to keep our cost structure aligned with the demands of the prevailing market conditions.

UpLift restructuring costs were \$20 million and \$1 million in the quarters ended March 31, 2025 and 2024, respectively. We also incurred \$23 million and \$12 million of UpLift transformation costs in the quarters ended March 31, 2025 and 2024, respectively, which are primarily for consultants, third-party service providers and personnel focused on designing and implementing a centralized service delivery model that supports our new organizational structure, including the standardization of our supply chain and digital technology procurement. These costs are recorded in Other income (expense), net in the Condensed Consolidated Statements of Operations.

Other restructuring costs were \$23 million for the quarter ended March 31, 2025 and included \$12 million of costs related to 2025 actions and \$11 million of costs related to 2024 actions.

Most of the expected charges will require cash payments, which we have funded and expect to continue to fund with cash generated from operations. The table below presents approximate cash outflows related to the restructuring actions during the quarter ended March 31, 2025, and the expected cash payments to complete the actions announced:

<i>(dollars in millions)</i>	UpLift Actions	Other Actions	Total Restructuring
Cash outflows during the three months ended March 31, 2025	\$ 11	\$ 15	\$ 26
Expected cash payments remaining to complete actions announced	56	78	134

The approved UpLift restructuring actions are expected to generate approximately \$95 million in annual recurring savings by 2025, primarily in Selling, general and administrative expenses, and of which approximately \$19 million was realized during the quarter ended March 31, 2025.

For other restructuring actions, we generally expect to achieve annual recurring savings within the two-year period subsequent to initiating the actions, including \$27 million for the 2025 actions and \$27 million for the 2024 actions, of which approximately 80% relates to Cost of products and services sold and 20% relates to Selling, general and administrative expenses. Approximately \$8 million of savings was realized for the 2025 and 2024 actions during the quarter ended March 31, 2025.

*Reorganization of Operations in China*

In January 2025, we announced the reorganization of our operations in China. Among other aspects, this reorganization will result in restructuring actions of approximately \$40 million. These actions include severance related costs, and we expect these actions to be mostly completed and any cash to be paid by the end of 2025. Amounts related to the reorganization of operations in China are included within Other restructuring.

For additional discussion of restructuring, see Note 12 to the Condensed Consolidated Financial Statements.

**Other Income (Expense), Net**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Other income (expense), net	\$ (89)	\$ 14

The changes in Other income (expense), net, of \$(103) million for the quarter ended March 31, 2025, compared to the same period in 2024, were primarily driven by Separation-related adjustments of \$52 million, UpLift transformation costs of \$23 million, non-recurring litigation-related settlement costs of \$21 million and impairment loss related to net assets held for sale of \$10 million, partially offset by foreign currency mark-to-market adjustments and gain on sale of fixed assets. Other Income was also impacted by lower Separation-related adjustments, lower UpLift transformation costs, and other reserve adjustments during the same period in 2024.

For additional discussion of the Separation-related adjustments, litigation-related settlement costs and held for sale impairment, see Note 17 to the Condensed Consolidated Financial Statements. For additional discussion of the restructuring and UpLift transformation costs, see Note 12 to the Condensed Consolidated Financial Statements.

**Interest Expense (Income), Net**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Interest expense (income), net	\$ 45	\$ 44

Interest expense (income), net was relatively flat for the quarter ended March 31, 2025, compared to the same period in 2024, as higher interest expense related to the \$600 million and €850 million unsecured, unsubordinated debt issued in November 2024 was offset by higher interest income.

The average interest rate on our long-term debt for the quarters ended March 31, 2025 and 2024, was 2.7% and 2.5%, respectively. For additional discussion of borrowings, see Note 7 to the Condensed Consolidated Financial Statements.

**Income Taxes**

	Quarter Ended March 31,	
	2025	2024
Effective tax rate	30.1 %	25.2 %

The increase in the effective tax rate for the quarter ended March 31, 2025, is primarily the result of the tax effect of the increase in our estimated nondeductible TMA indemnity obligation payable to RTX, partially offset by a foreign valuation allowance release.

We anticipate some variability in the tax rate quarter to quarter from potential discrete items.

For additional discussion of income taxes and the effective income tax rate, see Note 11 to the Condensed Consolidated Financial Statements.

**Noncontrolling Interest in Subsidiaries' Earnings and Net Income Attributable to Otis Worldwide Corporation**

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
Noncontrolling interest in subsidiaries' earnings	\$ 13	\$ 21
Net income attributable to Otis Worldwide Corporation	\$ 243	\$ 353

Noncontrolling interest in subsidiaries' earnings decreased \$8 million for the quarter ended March 31, 2025, compared to the same period in 2024, primarily driven by increased ownership of our subsidiary in Japan during the second quarter of 2024 and lower net income from non-wholly owned subsidiaries. Other than our acquisition of the noncontrolling shares of our subsidiary in Japan during the second quarter of 2024, ownership interest in the underlying non-wholly owned subsidiaries has remained generally consistent year-over-year.

Net income attributable to Otis Worldwide Corporation decreased for the quarter ended March 31, 2025, compared to the same period in 2024, due to lower operating profit (including the unfavorable impact of foreign exchange rates) and a higher effective tax rate, partially offset by lower noncontrolling interest in subsidiaries' earnings.

## Segment Review

Summary performance for our operating segments, reconciled to total operating profit, for the quarters ended March 31, 2025 and 2024 was as follows:

<i>(dollars in millions)</i>	Net Sales		Operating Profit		Operating Profit Margin	
	2025	2024	2025	2024	2025	2024
New Equipment	\$ 1,163	\$ 1,280	\$ 66	\$ 71	5.7%	5.5%
Service	2,187	2,157	537	523	24.6%	24.2%
Total segment	\$ 3,350	\$ 3,437	603	594	18.0%	17.3%
Corporate and Unallocated						
General corporate expenses and other			43	33		
UpLift restructuring			20	1		
Other restructuring			23	19		
UpLift transformation costs			23	12		
Separation-related adjustments			52	(15)		
Litigation-related settlement costs			21	—		
Held for sale impairment			10	—		
Consolidated Operating Profit			\$ 411	\$ 544	12.3%	15.8%

## New Equipment

The New Equipment segment designs, manufactures, sells and installs a wide range of passenger and freight elevators, as well as escalators and moving walkways in residential and commercial buildings and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, infrastructure, commercial, retail or mixed-use activity. We sell directly to customers as well as through agents and distributors. We also sell New Equipment to government agencies to support infrastructure projects, such as airports, railways or metros.

Summary performance for New Equipment for the quarters ended March 31, 2025 and 2024 was as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,			
	2025	2024	Change	Change
Net sales	\$ 1,163	\$ 1,280	\$ (117)	(9)%
Cost of sales	962	1,065	(103)	(10)%
	201	215	(14)	(7)%
Operating expenses	135	144	(9)	(6)%
Operating profit	\$ 66	\$ 71	\$ (5)	(7)%
Operating profit margin	5.7 %	5.5 %		

Summary analysis of the Net sales change for New Equipment for the quarter ended March 31, 2025 compared with the same period in 2024 was as follows:

Components of Net sales change:	Quarter Ended March 31, 2025
Organic volume	(7)%
Foreign currency translation	(3)%
Acquisitions and divestitures, net and other	1 %
Total % change	(9)%

**Quarter Ended March 31, 2025**

*Net sales*

The organic sales decrease of (7)% was primarily driven by a greater than 20% decline in China and high single-digit decline in Americas, partially offset by approximately 10% growth in Asia Pacific and mid single-digit growth in EMEA.

*Operating profit*

New Equipment operating profit decreased \$(5) million, including foreign exchange headwinds of (\$1) million. The impacts of lower volume and unfavorable regional mix were partially offset by productivity and lower commodity prices, with price relatively flat. Operating margin increased 20 basis points.

**Service**

The Service segment performs maintenance and repair services for both our products, and those of other manufacturers, and provides modernization services to upgrade elevators and escalators. Maintenance services include inspections to ensure code compliance, preventive maintenance offerings and other customized maintenance offerings tailored to meet customer needs, as well as repair services that address equipment and component wear and tear, and breakdowns. Modernization services enhance equipment operation and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics, to complex upgrades of larger components and sub-systems. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

Summary performance for Service for the quarters ended March 31, 2025 and 2024 was as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,			
	2025	2024	Change	Change
Net sales	\$ 2,187	\$ 2,157	\$ 30	1 %
Cost of sales	1,363	1,339	24	2 %
	824	818	6	1 %
Operating expenses	287	295	(8)	(3)%
Operating profit	\$ 537	\$ 523	\$ 14	3 %
Operating profit margin	24.6 %	24.2 %		

Summary analysis of Service Net sales change for the quarter ended March 31, 2025 compared with the same period in 2024 was as follows:

Components of Net sales change:	Quarter Ended March 31, 2025
Organic volume	4 %
Foreign currency translation	(3)%
Acquisitions and divestitures, net	— %
Total % change	1 %

### Quarter Ended March 31, 2025

#### Net sales

The organic sales increase of 4% is due to organic sales increases in maintenance and repair of 3% and in modernization of 10%.

Components of Net sales change:	Maintenance and Repair	Modernization
Organic volume	3 %	10 %
Foreign currency translation	(3)%	(3)%
Acquisitions and divestitures, net	— %	— %
Total % change	— %	7 %

#### Operating profit

Service operating profit increased \$14 million including foreign exchange headwinds of (\$15) million. Higher volume, improved pricing on maintenance contracts, and productivity were partially offset by inflationary pressures, including higher labor costs and higher material costs and mix. Operating margin increased 40 basis points.

#### Corporate and Unallocated

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
General corporate expenses and other	\$ 43	\$ 33
UpLift restructuring	20	1
Other restructuring	23	19
UpLift transformation costs	23	12
Separation-related adjustments	52	(15)
Litigation-related settlement costs	21	—
Held for sale impairment	10	—
Total Corporate and Unallocated	\$ 192	\$ 50

General corporate expenses and other for the quarter ended March 31, 2025 increased \$10 million, compared to the same period in 2024, primarily due to higher corporate costs, partially offset by the impact of foreign currency mark-to-market adjustments.

For additional discussion of the Separation-related adjustments, litigation-related settlement costs and held for sale impairment, see Note 17 to the Condensed Consolidated Financial Statements. For additional discussion of the restructuring and UpLift transformation costs, see Note 12 to the Condensed Consolidated Financial Statements.

### LIQUIDITY AND FINANCIAL CONDITION

We expect to fund our ongoing operating, investing and financing requirements mainly through cash flows from operations, available liquidity through cash on hand and available bank lines of credit and access to capital markets.

As of March 31, 2025, we had cash and cash equivalents of approximately \$1.9 billion, of which approximately 37% was held by the Company's foreign subsidiaries. Domestic cash and cash equivalents as of March 31, 2025 includes amounts that were used on April 7, 2025, to fund the repayment at maturity of the \$1.3 billion principal amount of 2.056% notes due April 5, 2025. We manage our worldwide cash requirements by reviewing available funds among the many subsidiaries through which we conduct our business and the cost-effectiveness with which those funds can be accessed. On occasion, we are required to maintain cash deposits with certain banks with respect to contractual obligations related to acquisitions and divestitures or other legal obligations. As of March 31, 2025 and December 31, 2024, the amount of such restricted cash was approximately \$11 million and \$21 million, respectively.

From time-to-time we may need to access the capital markets to obtain financing. We may incur indebtedness or issue equity as needed. Although we believe that the arrangements in place as of March 31, 2025 permit us to finance our operations on acceptable terms and conditions, our access to, and the availability of, financing on acceptable terms and conditions in the future could be impacted by many factors, including (1) our credit ratings or absence of a credit rating, (2) the liquidity of the overall capital markets and (3) the current state of the economy, including tighter credit conditions. There can be no assurance that we will continue to have access to the capital markets on terms acceptable to us.

The following table contains several key measures of our financial condition and liquidity:

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 1,918	\$ 2,300
Total debt	8,406	8,324
Net debt (total debt less cash and cash equivalents)	6,488	6,024
Total equity	(5,053)	(4,785)
Total capitalization (total debt plus total equity)	3,353	3,539
Net capitalization (total debt plus total equity less cash and cash equivalents)	1,435	1,239
Total debt to total capitalization	251 %	235 %
Net debt to net capitalization	452 %	486 %

The Company does not intend to reinvest certain undistributed earnings of our international subsidiaries that have been previously taxed in the U.S. For the remainder of the Company's undistributed international earnings, unless tax effective to repatriate, we will continue to permanently reinvest these earnings.

### **Borrowings and Lines of Credit**

As of March 31, 2025, we had a revolving credit agreement with various banks providing for a \$1.5 billion unsecured, unsubordinated five-year revolving credit facility. As of March 31, 2025, there were no borrowings under the revolving credit agreement. The undrawn portion of the revolving credit agreement serves as a backstop for the issuance of commercial paper.

There were no borrowings outstanding under the Company's \$1.5 billion commercial paper program as of March 31, 2025. For additional discussion of borrowings, see Note 7 to the Condensed Consolidated Financial Statements.

### **Share Repurchase Program**

On January 16, 2025, our Board of Directors revoked any remaining share repurchase authority under the prior share repurchase program and approved a new share repurchase program for up to \$2.0 billion of Common Stock, of which approximately \$1.8 billion was remaining as of March 31, 2025.

Under this program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended.

**Discussion of Cash Flows**

The following table reflects the major categories of cash flows. For additional details, see the Condensed Consolidated Statements of Cash Flows.

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2025	2024
<b>Net cash flows provided by (used in):</b>		
Operating activities	\$ 190	\$ 171
Investing activities	(161)	(79)
Financing activities	(428)	(467)
Effect of exchange rate changes on cash and cash equivalents	7	(18)
Net increase (decrease) in cash and cash equivalents and restricted cash	<u>\$ (392)</u>	<u>\$ (393)</u>

*Operating activities*

Cash flows from operating activities primarily represent inflows and outflows associated with our operations. Primary activities include net income from operations adjusted for non-cash transactions, working capital changes and changes in other assets and liabilities.

The year-over-year increase in net cash provided by operating activities was primarily driven by working capital balances during the periods, including an increase in Accrued Liabilities in the quarter ended March 31, 2025 compared to a decrease in the same period in 2024, driven by an increase in indemnity obligation to RTX, an increase in litigation-related settlement reserves and the timing of restructuring payments, as well as a smaller increase in Accounts receivable, net, in the quarter ended March 31, 2025 compared to the same period in 2024 due to the timing of billings and collections. These were partially offset by lower net income, a larger decrease in Accounts payable in the quarter ended March 31, 2025 compared to a decrease in the same period in 2024, driven by the timing of payments to suppliers. Additionally, UpLift-related payments were approximately \$30 million in the quarter ended March 31, 2025, compared to approximately \$15 million in the same period in 2024.

During the quarter ended March 31, 2025, net cash provided by operating activities was \$190 million. Net income of \$256 million includes \$52 million of indemnification expense resulting from the German tax litigation, \$21 million of litigation-related settlement costs and \$10 million of impairment loss related to net assets held for sale, none of which resulted in cash flow activity during the quarter ended March 31, 2025. Net income and the change in Contract assets and liabilities, net, due to timing of billings on contracts compared to the progression on current contracts, were also partially offset by a decrease in Accounts payable due to the timing of payments to suppliers and an increase in Accounts receivable, net, due to the timing of billings and collections. For additional discussion of the German tax litigation, see Note 1 and Note 16 to the Condensed Consolidated Financial Statements.

During the quarter ended March 31, 2024, net cash provided by operating activities was \$171 million. The primary drivers of the inflow related to \$374 million of net income and changes in Contract assets and liabilities, net, due to the timing of billings on contracts compared to the progression on current contracts. These were partially offset by a decrease in Accounts payable due to the timing of payments to suppliers, an increase in Accounts receivable, net, due to the timing of billings, and a decrease in Accrued liabilities due to the timing of payments, including employee-related benefits, interest and income taxes.

*Investing activities*

Cash flows from investing activities primarily represent inflows and outflows associated with long-term assets, including capital expenditures, investments in businesses and securities, proceeds from the sale of fixed assets and the settlement of derivative contracts.

During the quarter ended March 31, 2025, net cash used in investing activities was \$161 million. The primary drivers of the outflow related to \$34 million of capital expenditures, \$36 million of acquisitions of businesses and intangible assets and \$93 million of net cash payments from the settlement of derivative instruments.

During the quarter ended March 31, 2024, net cash used in investing activities was \$79 million. The primary drivers of the outflow related to \$31 million of capital expenditures, \$30 million of acquisitions of businesses and intangible assets and \$21 million of net cash payments from the settlement of derivative instruments.

As discussed in Note 13 to the Condensed Consolidated Financial Statements, we enter into derivative instruments for risk management purposes. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, foreign exchange rates and commodity prices. These fluctuations can increase the costs of financing, investing and operating the business. We use derivative instruments, including forward contracts and options to manage certain foreign currency and commodity price exposures.

*Financing activities*

Cash flows from financing activities primarily represent inflows and outflows associated with equity and borrowings. Primary activities include short-term and long-term borrowing activity, paying dividends to shareholders, the repurchase of our Common Stock and dividends or other payments to noncontrolling interests.

During the quarter ended March 31, 2025, net cash used in financing activities was \$428 million. The primary drivers of the outflow were repurchases of our Common Stock of \$253 million and dividends paid on our Common Stock of \$155 million.

During the quarter ended March 31, 2024, net cash used in financing activities was \$467 million. The primary drivers of the outflow were repurchases of our Common Stock of \$300 million and dividends paid on our Common Stock of \$138 million.

***Guaranteed Securities: Summarized Financial Information***

The following information is provided in compliance with Rule 13-01 of Regulation S-X under the Securities Exchange Act of 1934, as amended, with respect to the 2026 Euro Notes, the 2027 Euro Notes and the 2031 Euro Notes (together the "Euro Notes"), in each case issued by Highland Holdings S.à r.l. ("Highland"), a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Euro Notes are fully and unconditionally guaranteed by Otis Worldwide Corporation ("OWC") on an unsecured, unsubordinated basis. Refer to "Note 9: Borrowings and Lines of Credit" in Item 8 in our 2024 [Form 10-K](#), for additional information.

Highland is a wholly-owned, indirect consolidated subsidiary of OWC. OWC is incorporated under the laws of Delaware. As a company incorporated and existing under the laws of Luxembourg, and with its registered office in Luxembourg, Highland is subject to Luxembourg insolvency and bankruptcy laws in the event any insolvency proceedings are initiated against it. Luxembourg bankruptcy law is significantly different from, and may be less favorable to creditors than, the bankruptcy law in effect in the United States and may make it more difficult for creditors to recover the amount they could expect to recover in liquidation under U.S. insolvency and bankruptcy rules.

The Euro Notes are not guaranteed by any of OWC's or Highland's subsidiaries (all OWC subsidiaries other than Highland are referred to herein as "non-guarantor subsidiaries"). Holders of the Euro Notes will have a direct claim only against Highland, as issuer, and OWC, as guarantor.

The following tables set forth the summarized financial information as of and for the quarter ended March 31, 2025 and as of December 31, 2024 of each of OWC and Highland on a standalone basis, which does not include the consolidated impact of the assets, liabilities, and financial results of their subsidiaries except as noted on the tables below, nor does it include any impact of intercompany eliminations as there were no intercompany transactions between OWC and Highland. This summarized financial information is not intended to present the financial position or results of operations of OWC or Highland in accordance with U.S. GAAP.

<i>(dollars in millions)</i>	Quarter Ended March 31, 2025
<b><i>OWC Statement of Operations - Standalone and Unconsolidated</i></b>	
Revenue	\$ —
Cost of revenue	—
Operating expenses	—
Income from consolidated subsidiaries	—
Income (loss) from operations excluding income from consolidated subsidiaries	(53)
Net income (loss) excluding income from consolidated subsidiaries	(80)

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
<b><i>OWC Balance Sheet - Standalone and Unconsolidated</i></b>		
Current assets (intercompany receivables from non-guarantor subsidiaries)	\$ —	\$ —
Current assets (excluding intercompany receivables from non-guarantor subsidiaries)	1,260	1,490
Noncurrent assets (investments in consolidated subsidiaries)	1,103	1,151
Noncurrent assets (excluding investments in consolidated subsidiaries)	36	37
Current liabilities (intercompany payables to non-guarantor subsidiaries)	6,429	6,277
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)	1,813	1,625
Noncurrent liabilities (intercompany payables to non-guarantor subsidiaries)	—	—
Noncurrent liabilities (excluding intercompany payables to non-guarantor subsidiaries)	4,965	5,100

<i>(dollars in millions)</i>	Quarter Ended March 31, 2025
<b>Highland Statement of Operations - Standalone and Unconsolidated</b>	
Revenue	\$ —
Cost of revenue	—
Operating expenses	—
Income from consolidated subsidiaries	—
Income (loss) from operations excluding income from consolidated subsidiaries	—
Net income (loss) excluding income from consolidated subsidiaries	(61)

<i>(dollars in millions)</i>	March 31, 2025	December 31, 2024
<b>Highland Balance Sheet - Standalone and Unconsolidated</b>		
Current assets (intercompany receivables from non-guarantor subsidiaries)	\$ —	\$ —
Current assets (excluding intercompany receivables from non-guarantor subsidiaries)	—	—
Noncurrent assets (investments in consolidated subsidiaries)	15,711	15,711
Noncurrent assets (intercompany receivables from non-guarantor subsidiaries)	479	460
Noncurrent assets (excluding investments in consolidated subsidiaries)	—	—
Current liabilities (intercompany payables to non-guarantor subsidiaries)	—	—
Current liabilities (excluding intercompany payables to non-guarantor subsidiaries)	12	4
Current liabilities (intercompany payables from non-guarantor subsidiaries)	500	9
Noncurrent liabilities (intercompany payables to non-guarantor subsidiaries)	3,705	3,513
Noncurrent liabilities (excluding intercompany payables to non-guarantor subsidiaries)	2,099	2,017

### Off-Balance Sheet Arrangements and Contractual Obligations

Item 5 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2024 [Form 10-K](#) discloses our off-balance sheet arrangements and contractual obligations. As of March 31, 2025, there have been no material changes to these off-balance sheet arrangements and contractual obligations, outside the ordinary course of business except for those disclosed in "Note 7, Borrowings and Lines of Credit" within Item 1 of this Form 10-Q.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's market risk during the quarter ended March 31, 2025. For a discussion of the Company's exposure to market risk, refer to the Company's market risk disclosures set forth in Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in our 2024 [Form 10-K](#).

**Item 4. Controls and Procedures**

As required by Rule 13a-15 under the Exchange Act, we carried out an evaluation under the supervision and with the participation of our management, including the President and Chief Executive Officer ("CEO"), the Executive Vice President and Chief Financial Officer ("CFO") and the Senior Vice President and Chief Accounting Officer ("CAO"), of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2025. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our CEO, our CFO and our CAO have concluded that, as of March 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our CEO, our CFO and our CAO, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### Cautionary Note Concerning Factors That May Affect Future Results

This Form 10-Q contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management's current expectations or plans for Otis' future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "medium-term," "near-term," "confident," "goals" and other words of similar meaning in connection with a discussion of future operating or financial performance. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, dividends, share repurchases, tax rates, R&D spend, restructuring or transformation actions (including UpLift and related reorganization and outsourcing activities and China), credit ratings, net indebtedness and other measures of financial performance or potential future plans, strategies or transactions, or statements that relate to climate change and our intent to achieve certain ESG targets or goals, including operational impacts and costs associated therewith, and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, Otis claims the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation:

- the effect of economic conditions in the industries and markets in which Otis and its businesses operate and any changes therein, including financial market conditions, fluctuations in commodity prices, and other inflationary pressures, interest rates and foreign currency exchange rates, levels of end market demand in construction, pandemic health issues, natural disasters, whether as a result of climate change or otherwise, and the financial condition of Otis' customers and suppliers;
- the effect of changes in political conditions in the U.S. and in other countries in which Otis and its businesses operate, including increasing tensions between the U.S. and China, on general market conditions, commodity costs, global trade policies and related sanctions, export controls and tariffs, and currency exchange rates in the near term and beyond;
- the effect of geopolitical conflicts, including the effect of the on-going conflict between Russia and Ukraine and conflicts in the Middle East;
- challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services;
- future levels of indebtedness, capital spending and research and development spending;
- future availability of credit and factors that may affect such availability or costs thereof, including credit market conditions and Otis' capital structure;
- the timing and scope of future repurchases of Common Stock, which may be suspended at any time due to various factors, including market conditions and the level of other investing activities and uses of cash;
- fluctuations in prices and delays and disruption in delivery of materials and services from suppliers, whether as a result of changes in general economic conditions, geopolitical conflicts or otherwise;
- cost reduction or containment actions, restructuring or transformation costs and related savings and other consequences thereof, including with respect to UpLift and China and related impacts of reorganization and outsourcing activities and change management, as applicable;
- new business and investment opportunities;
- the outcome of legal proceedings, investigations and other contingencies;
- pension plan assumptions and future contributions;
- the impact of the negotiation of collective bargaining agreements and labor disputes, labor actions, including strikes or work stoppages, and labor inflation in the markets in which Otis and its businesses operate globally;
- the effect of changes in tax, environmental, regulatory (including among other things import/export, tariffs, and climate change or other ESG-related legal and regulatory changes) and other laws and regulations in the U.S., including in connection with the new administration's policies and priorities, and other countries in which Otis and its businesses operate;
- the ability of Otis to retain and hire key personnel;
- the scope, nature, impact or timing of acquisition and divestiture activity, the integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs;
- the determination by the Internal Revenue Service (the "IRS") and other tax authorities that the distribution or certain related transactions in connection with the Separation should be treated as taxable transactions; and

- our obligations and our disputes that have or may hereafter arise under the agreements we entered into with RTX and Carrier in connection with the Separation.

These and other factors are more fully discussed in the "Notes to Condensed Consolidated Financial Statements" under the headings "Note 1: General" and "Note 16: Contingent Liabilities" and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q and in our 2024 [Form 10-K](#) under the headings "Item 1. Business," "Item 1A. Risk Factors," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data" under the headings "Note 1: Business Overview" and "Note 21: Contingent Liabilities" and elsewhere in each of these filings. The forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the SEC.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

For a discussion regarding material legal proceedings, see "Note 16: Contingent Liabilities" to the Condensed Consolidated Financial Statements.

Except as otherwise noted above, there have been no material developments in legal proceedings. For previously reported information about legal proceedings refer to Item 3 "Legal Proceedings" in our 2024 [Form 10-K](#).

### Item 1A. Risk Factors

Additional information regarding risk factors can be found under "Recent Developments" in the "Business Overview" and "Cautionary Note Concerning Factors That May Affect Future Results" sections of Management's Discussion and Analysis of Financial Condition and Results of Operations in this Form 10-Q.

Except as otherwise noted above, there have been no material changes in the Company's risk factors from those disclosed in Item 1A "Risk Factors," in our 2024 [Form 10-K](#).

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Issuer Purchases of Equity Securities

The following table provides information about our purchases during the quarter ended March 31, 2025 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act.

2025	Total Number of Shares Purchased (thousands)	Average Price Paid per Share <sup>(1)</sup>	Total Number of Shares Purchased as Part of a Publicly Announced Program (thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (dollars in millions)
January 1 - January 31	1,084	\$ 92.22	1,084	\$ 2,000
February 1 - February 28	1,152	97.27	1,152	1,888
March 1 - March 31	404	101.00	404	1,847
Total	2,640	\$ 95.77	2,640	

<sup>(1)</sup> Average price paid per share includes any broker commissions associated with the repurchases.

On January 16, 2025, our Board of Directors ("the Board") revoked any remaining share repurchase authority under the prior share repurchase program and approved a new share repurchase program for up to \$2.0 billion of Common Stock. As of March 31, 2025, the maximum dollar value of shares that may yet be purchased under this current program was approximately \$1.8 billion.

Under this program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs or under plans complying with Rules 10b5-1 and 10b-18 under the Exchange Act.

### Item 5. Other Information

None.

**Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.1	<a href="#">Schedule of Terms for Performance Share Unit Awards granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan (Effective February 4, 2025).*</a>
10.2	<a href="#">Schedule of Terms for Restricted Stock Unit Awards granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan (Effective February 4, 2025).*</a>
15	<a href="#">Letter re: unaudited interim financial information.*</a>
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification.*</a>
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification.*</a>
31.3	<a href="#">Rule 13a-14(a)/15d-14(a) Certification.*</a>
32	<a href="#">Section 1350 Certifications.*</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

**Notes to Exhibits List:**

\* Submitted electronically herewith.

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations for the quarters ended March 31, 2025 and 2024, (ii) Condensed Consolidated Statements of Comprehensive Income for the quarters ended March 31, 2025 and 2024, (iii) Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024, (iv) Condensed Consolidated Statements of Changes in Equity for the quarters ended March 31, 2025 and 2024, (v) Condensed Consolidated Statements of Cash Flows for the quarters ended March 31, 2025 and 2024 and (vi) Notes to Condensed Consolidated Financial Statements.



**Otis Worldwide Corporation  
2020 Long-Term Incentive Plan**

# **Performance Share Unit Award**

## ***Schedule of Terms***

***(February 4, 2025)***

This Schedule of Terms describes the material features of the Participant's Performance Share Unit Award (the "PSU Award" or the "Award") granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan, as Amended and Restated as of January 1, 2024 (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Corporation's internal employee website and at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

You should read this document carefully. There are circumstances under which your Award could be forfeited and you could be obligated to repay gains realized from the Award to the Corporation (e.g., see the "Forfeiture of Award and Repayment of Realized Gains").

If you are a Non-U.S. Participant, please refer to the Appendix for additional terms and conditions that may apply to you.

## Certain Definitions

A Performance Share Unit (a "PSU") represents the right to receive one share of common stock of Otis Worldwide Corporation (the "Common Stock") (or a cash payment equal to the Fair Market Value thereof). PSUs generally vest and are converted into shares of Common Stock if, and to the extent, the associated pre-established performance targets are achieved and the Participant remains employed or otherwise engaged by the Corporation or the Service Recipient through the end of the applicable performance measurement period (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that may result in accelerated vesting (see "Termination of Service" below). "Company" means Otis Worldwide Corporation (the "Corporation"), together with its subsidiaries, divisions and affiliates. "Service Recipient" means an entity other than the Corporation in the Company group that employs or otherwise engages the Participant. "Termination Date" means the date the Participant's employment ends, or, if different, the date the Participant ceases providing services to the Company as an employee, consultant, or in any other capacity. For the avoidance of doubt, and as described in more detail in the section entitled "Nature of Award," absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## Country-Specific Appendix

Notwithstanding any provisions in this Schedule of Terms, the PSU grant shall be subject to any special or additional terms and conditions set forth in any Appendix to this Schedule of Terms for the Participant's work country, unless determined otherwise by the Committee. Moreover, if the Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to the Participant, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Schedule of Terms.

## Acknowledgement and Acceptance of the Otis PSU Award

The number of PSUs awarded is set forth in the Award Agreement. The recipient of the PSU Award (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the PSU Award, which are contained in this Schedule of Terms, within 150 days following the Grant Date. A failure to acknowledge and accept the PSU Award within 150 days from the Grant Date will result in the forfeiture of the PSU Award.

Participants must acknowledge and accept the terms and conditions of this PSU Award electronically via the Union Bank of Switzerland ("UBS") *One Source* website at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this PSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

If you are employed in the State of Illinois, you (1) are advised under the Illinois Freedom to Work Act to consult with an attorney prior to agreeing to the covenants described in the section

entitled “Forfeiture of Award and Repayment of Realized Gains” of this PSU Award, and (2) have been provided at least 14 calendar days to review these covenants prior to the acceptance deadline.

### **Dividends**

PSUs granted under this Award will earn dividend equivalent units each time the Corporation pays a cash dividend to Common Stock shareholders. Dividend equivalents will be credited as additional PSUs to Awards outstanding on the dividend payment date and will vest under the same vesting conditions as the underlying PSUs. The number of additional PSUs that will be credited on any dividend payment date will equal (i) the per share cash dividend amount, multiplied by (ii) the number of PSUs subject to the PSU Award (including PSUs resulting from prior dividend equivalents), divided by (iii) the Fair Market Value of a share of Common Stock on the dividend payment date, rounded down to the nearest whole number of PSUs. No cash will be payable for any fractional dividend equivalent.

### **Vesting**

PSU Awards will vest in accordance with the schedule set forth in the Award Agreement, subject to performance relative to pre-established Performance Goals, and the Participant’s continued employment or service with the Corporation or Service Recipient through the applicable performance measurement period. The Award Agreement specifies the applicable Performance Goals, performance period, vesting date, minimum performance required for vesting, range of vesting and relative weighting for each Performance Goal.

The Performance Goals for the PSU Awards for the three-year performance period (2025-2027) are cumulative Adjusted Earnings Per Share (60% weighting) and average annual Organic Sales growth (40% weighting). In addition, the Corporation’s Total Shareholder Return relative to the S&P 500 Industrials Index may increase or decrease the payout of the PSU Award by up to 20%.

Adjusted Earnings Per Share (EPS) means the Corporation’s adjusted diluted EPS, which represents the diluted earnings per share (a GAAP measure), excluding restructuring costs, one-time separation costs, non-recurring tax items, and other significant items.

Organic Sales means the Corporation’s consolidated net sales, excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and other significant items of a non-recurring and/or non-operational nature.

Total Shareholder Return means the Corporation’s stock price appreciation from the average of the Corporation’s 20-trading day stock price prior to the beginning of the performance period to the average of the 20-trading day stock price prior to the end of the performance period, including dividends paid per share during the performance period.

Any unvested PSUs will be forfeited in the event of Termination of Service prior to the vesting date except in certain earlier terminations involving Retirement, Involuntary Termination, Disability, Change-in-Control Termination, or Death (see “Termination of Service” below).

PSUs may also be forfeited and value realized from previously vested PSUs may be recouped by the Corporation under certain circumstances (see “Forfeiture of Award and Repayment of Realized Gains” below).

### **No Shareowner Rights**

A PSU is the right to receive a share of Common Stock in the future (or a cash payment equal to the Fair Market Value), subject to continued employment or service, achievement of performance targets, and certain other conditions. The holder of a PSU has no voting or other rights accorded to owners of Common Stock unless and until PSUs are converted into shares of Common Stock.

### **Payment / Conversion of PSUs**

Except as otherwise noted below under “Deferral of Gain,” vested PSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following the earliest to occur of (i) the date the Committee determines if, and to what extent, the PSUs have vested as a result of the achievement of the Performance Goals with respect to the performance measurement period, (ii) the date of the Participant’s death or incurrence of a Disability, or (iii) if a Change-in-Control occurs while the PSUs are outstanding (A) then if the PSUs are not replaced with a Replacement Award, the date of the Change-in-Control or (B) if the PSUs are replaced with a Replacement Award, the last day of the performance period, but in no event later than March 15th following the year in which such event occurs (see special rules for specified employees in “Specified Employees”). If Performance Goals are not met at the maximum level, the PSUs that do not vest will be cancelled without value. PSUs may be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

### **Termination of Service**

The treatment of PSUs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. PSUs held for less than one (1) year as of the Termination Date will be forfeited, except in the event of Death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date, unless required by applicable law.

**Retirement.** If the Participant’s termination results from Retirement, unvested PSUs held for at least one (1) year as of the Termination Date will remain outstanding and, if and to the extent the Committee determines that Performance Goals have been achieved, will vest and convert into shares of Common Stock (or cash) to be delivered to the Participant in accordance with the section entitled “Payment/Conversion of PSUs,” subject to the delay noted below under “Specified Employees,” if applicable. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- “Normal Retirement” means retirement on or after age 65;

- “Early Retirement” means retirement on or after age 55 with at least 10 years of continuous service as of the Termination Date.

The Participant will not receive Retirement treatment with respect to any Award in the event of involuntary termination by the Corporation or the Service Recipient for Cause even if the Participant qualifies for Retirement.

The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

**Involuntary Termination for Cause.** If the Participant’s termination results from an involuntary termination by the Corporation or the Service Recipient for Cause (as defined in the LTIP), unvested PSUs will be forfeited as of the Termination Date regardless of the Participant’s Retirement eligibility. In addition, value realized from previously vested PSUs is subject to repayment in the event of termination for Cause or certain other occurrences (see “Forfeiture of Award and Repayment of Realized Gains” below).

**Involuntary Termination other than for Cause, Death or Disability.** If the Participant’s termination results from an involuntary termination by the Corporation or the Service Recipient for reasons other than Cause, death or Disability, and does not constitute a Change-in Control Termination, unvested PSUs held for at least one (1) year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Corporation, if requested, a release of claims in a form and manner satisfactory to the Corporation. The pro-rata vesting of a PSU Award held for at least one (1) year will be based on the number of days during the performance measurement period that the Participant was employed with (or performed service for) the Corporation or Service Recipient, divided by the total number of days in such period, rounded up to the nearest share. The pro-rata PSUs will remain outstanding and eligible to vest per the terms of the Award. PSUs not eligible to vest under this pro-rata vesting formula will be forfeited as of the Termination Date.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the pro-rata vesting percentage, unless required by applicable law.

Example pro-rata vesting percentage calculation (assumes no dividends are paid for simplicity):

- # PSUs that vest: 900
- Performance period (01/01/2025-12/31/2027)
- % time participated in full vesting period: 50%

# of pro-rata units = (# units granted) \* (% time participated in the performance period)

$$450 = (900 * 50\%)$$

Retirement eligible Participants will be eligible to vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below.

**Voluntary Termination.** If the Participant voluntarily terminates employment or service (other than for Retirement or a Change-in-Control Termination), the Participant is not entitled to vesting

and will forfeit all unvested PSUs as of the Termination Date. If the Corporation or Service Recipient terminates the Participant's employment or service after receiving notice from the Participant that the Participant is voluntarily terminating employment or service, such termination shall be considered a voluntary termination by the Participant.

**Death or Disability.** If the Participant dies while still employed by or providing services to the Corporation or the Service Recipient, or if the Participant incurs a Disability, all PSUs will vest as of the date of death or Disability, as applicable, and be converted (at target performance or such greater amount as determined by the Committee in its discretion) to shares of Common Stock to be delivered to the Participant, Participant's estate or designated beneficiary (if such a designation has been provided to the Corporation, and to the extent the Corporation determines such designation to be valid), as may be determined in the Corporation's sole discretion (where applicable), in accordance with the section entitled "Payment/Conversion of PSUs." To be considered a Disability under this Award, the "disability" event must meet the definition under Section 409A(a)(2)(C) of the Code.

**Change-in-Control Termination.** If the PSUs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and the Participant's termination results from an involuntary termination by the Corporation or the Service Recipient for reasons other than for Cause, death or Disability, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested PSUs will vest and be converted into shares of Common Stock (or cash) to be delivered to the Participant in accordance with the section entitled "Payment/Conversion of PSUs," subject to the delay noted below under "Specified Employees," if applicable.

**Specified Employees.** If the Participant is a "specified employee" within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Corporation) at the time of the Participant's Termination of Service, and the PSUs are accelerated and vest by reason of such Participant's Termination of Service (e.g., Change-in-Control Termination, Retirement, or Involuntary Termination), then, to the extent necessary to avoid the application of any additional tax or penalty under Section 409A of the Code and consistent with the terms of the LTIP, these vested PSUs (and unpaid accumulated dividend equivalents) will be held in the Participant's UBS account, and will not be paid or provided, until the first business day of the seventh month following the Participant's Termination Date or on the Participant's death or Disability (under the meaning of Section 409A(a)(2) of the Code) if earlier. For clarification purposes, these vested PSUs will continue to earn dividend equivalents during such delay in accordance with the section entitled "Dividends."

#### **Forfeiture of Award and Repayment of Realized Gains**

PSUs, including Common Stock, dividend equivalents, dividends and cash delivered for PSUs are subject to the Corporation's Compensation Recovery Policy (the "Compensation Recovery Policy"), as in effect from time to time, available on [www.otisinvestors.com](http://www.otisinvestors.com).

The Participant agrees that the restrictions set forth in the Compensation Recovery Policy are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by

competent authority to be unenforceable, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants.

In addition, the Participant acknowledges that if employed in the State of Illinois, he or she has been advised to consult with an attorney before agreeing to these provisions and was provided with at least 14 calendar days to review these covenants. Further, the provisions in the Compensation Recovery Policy pertaining to non-competition shall not be enforced with respect to a Participant during such time the Participant primarily resides or works in California and shall be modified to the extent necessary to allow the Participant to comply with the rules of professional conduct applicable to the Participant (e.g., American Bar Association Model Rule of Professional Conduct 5.6 (Restrictions on Right to Practice)).

Following a Change-in-Control, no incentive compensation clawback, recoupment or repayment policies or provisions adopted by the Corporation, including the Compensation Recovery Policy, shall apply to Awards granted under the LTIP (or any successor plan) to the Participant; provided, however, that if the Participant is subject to the Corporation's Erroneously Awarded Compensation Recovery Policy because the Participant is or was an executive officer (as defined in that policy), that policy shall continue to apply to the Participant solely to the extent the application of such policy is necessary to comply with applicable law or applicable securities exchange listing standards.

### **Adjustments**

If the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock or other events affecting the value of Common Stock, PSU Awards may be adjusted as determined by the Committee, in its sole discretion.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

### **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards or Performance Goals, as the Committee may deem appropriate. In the event of a Change-in-Control where the PSUs are not replaced by a Replacement Award, the PSUs will vest in full in accordance with Section 10(b) of the LTIP.

Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

## **Awards Not to Affect Certain Transactions**

PSU Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

## **Responsibility for Taxes**

The Participant acknowledges that, regardless of any action taken by the Corporation or, if different, the Service Recipient, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, fringe benefits tax, payment on account or other tax-related items attributable to the Participant's participation in the LTIP and legally applicable or deemed applicable to the Participant ("Tax-Related Items"). The Participant further acknowledges that the Corporation and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award or the underlying shares of Common Stock, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. The Fair Market Value on the date the taxable event occurs will be used to calculate the taxable income realized from the PSUs, and the amount of shares of Common Stock that may be withheld to satisfy the Tax-Related Items, except where otherwise required by applicable law, as determined in the Corporation's sole discretion.

In connection with any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Corporation and/or the Service Recipient to satisfy all Tax-Related Items. By accepting the Award, the Participant authorizes the Corporation and/or the Service Recipient, or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following: (i) deducting directly from any payment due to the Participant or from any obligation of the Corporation and/or the Service Recipient to the Participant (including but not limited to, withholding from the Participant's regular compensation); (ii) requiring the Participant (or the Participant's estate or beneficiaries, as applicable) to pay the Corporation an amount sufficient to satisfy compliance with the Tax-Related Items; (iii) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Corporation (on the Participant's behalf pursuant to this authorization and without further consent); (iv) withholding in shares of Common Stock to be issued upon settlement of the PSUs; (v) withholding from dividend equivalents paid on the PSUs; or (vi) any other method of withholding determined by the Corporation and to the extent required by applicable law or the LTIP, approved by the Committee.

The Corporation and/or the Service Recipient may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including minimum or maximum rates

applicable in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock) or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Corporation and/or the Service Recipient. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Participant will be deemed to have been issued the full number of shares of Common Stock subject to the vested PSUs, notwithstanding that a number of the shares of Common Stock is held back solely for purposes of paying the Tax-Related Items.

The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Corporation and/or the Service Recipient, if any. Further, if the Participant has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, the Participant acknowledges that the Corporation [and/or the Service Recipient] may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax.

The Corporation may refuse to distribute an Award if the Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the withholding obligations with respect to such taxable event will be satisfied by withholding shares of Common Stock subject to the PSU Award having a Fair Market Value equal to the tax withholding amount.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

#### **Deferral of Gain (U.S. based executives)**

If permitted by the Committee, a Participant who is eligible to participate in the Otis Worldwide Corporation LTIP PSU Deferral Plan may irrevocably elect to defer the conversion of vested PSUs into shares of Common Stock to a later date. The election to defer the conversion of shares must be made no later than the end of the second year of the performance measurement period, or such earlier date as may be specified by the Committee. Vested PSUs subject to a deferral election will be converted to unfunded deferred share units that will convert into shares of Common Stock on the distribution date as specified in the deferral election and the LTIP PSU Deferral Plan. Deferred share units will be credited with dividend equivalents. Under current U.S. income tax law, the Participant will generally not be subject to income taxes until the resulting deferred share units are converted to shares of Common Stock and distributed. Deferred share units will not be funded by the Corporation. In this regard, the Participant's rights to deferred share units are those of a general unsecured creditor of the Corporation. Details of the deferral of PSUs into deferred share units will be provided with the election materials. The opportunity to make such an election is subject to changes in Federal tax

law. The Committee reserves the right to discontinue offering PSU deferral elections at any time for any reason it deems appropriate in its sole discretion.

### **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of the Participant in any PSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by (i) will or the applicable laws of descent and distribution or (ii) certain intra-family transfers or transfers pursuant to qualified domestic relations orders subject to procedures and requirements established by the Committee and compliance with U.S. Securities and Exchange Commission ("SEC") rules. Any other attempt to assign such rights or interest shall be void and without force or effect.

### **Nature of Award**

By accepting the grant, the Participant acknowledges, understands and agrees that:

- (i) the LTIP is established voluntarily by the Corporation, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by the LTIP;
- (ii) the grant of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted in the past;
- (iii) all decisions with respect to future PSUs or other grants, if any, will be at the sole discretion of the Corporation;
- (iv) the grant of the PSU Award and the Participant's participation in the LTIP shall not create a right to employment or other service relationship with the Corporation;
- (v) the grant of the PSU Award and the Participant's participation in the LTIP shall not be interpreted as forming or amending an employment or service contract with the Corporation or the Service Recipient;
- (vi) the Participant is voluntarily participating in the LTIP;
- (vii) the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (viii) the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;
- (ix) unless otherwise agreed with the Corporation in writing, the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or Affiliate of the Corporation;

- (x) the future value, if any, of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;
- (xi) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of the Participant's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Participant is employed or renders service or the terms of the Participant's employment or service agreement, if any);
- (xii) for purposes of the PSUs and subject to Section 409A, the Participant's employment or service relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Corporation, the Service Recipient or any other Subsidiary or Affiliate of the Corporation (regardless of the reason for such Termination of Service and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or renders service or the terms of the Participant's employment or service agreement, if any), and such date will not be extended by any notice period unless required by applicable law (e.g., the Participant's period of employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or renders services or the terms of the Participant's employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Participant's PSU Award (including whether the Participant may still be considered to be providing services while on a leave of absence); and
- (xiii) neither the Corporation, the Service Recipient nor any other Subsidiary or Affiliate of the Corporation shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the PSUs or of any amounts due to the Participant pursuant to the settlement of the PSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

#### **Right of Discharge Reserved**

Nothing in the LTIP or in any PSU Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation or the Service Recipient may have to terminate the employment or service agreement, if any, of any Participant at any time for any reason.

#### **Administration**

The Board has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer, the Chief People Officer and the Senior Vice President Total Rewards the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Exchange Act, as amended, and to members of the Corporation's Executive Leadership Group. Awards to these individuals will be granted, administered, and interpreted

exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

## **Data Privacy**

This notice supplements and should be read in conjunction with the Otis Employee Privacy Notice, available at [www.otis.com/en/us/privacy-policy](http://www.otis.com/en/us/privacy-policy). The Participant understands that the Corporation and the Service Recipient may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Corporation, details of all PSUs or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. This information is used for the exclusive purpose of implementing, administering and managing the LTIP, which is necessary for the Corporation to fulfill its contractual obligations to Participants (and any associated legal requirements), as well as for the Corporation's own legitimate interests.

To the extent that local law requires consent for the Corporation to lawfully hold this information, the Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal information as described in this Schedule of Terms and any other PSU grant materials ("Data") by and among, as applicable, the Service Recipient, the Corporation and its Subsidiaries and Affiliates.

The Participant understands that Data will be transferred to UBS, or such other stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the LTIP. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Any such transfers are consistent with applicable legal requirements, as further described in the Otis Employee Privacy Notice.

The Participant understands that, under applicable law, the Participant may have certain rights in relation to the Data, including the right to access, correct, erase, and restrict the use of such information, as well as to object in certain cases. Insofar as applicable law requires the Corporation to rely on the Participant's consent to hold this information, the Participant may also have the right to withhold or withdraw such consent, but the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the LTIP. The Participant may exercise these rights, where applicable, by contacting the Corporation at [privacy@otis.com](mailto:privacy@otis.com). The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the LTIP.

## **Corporation Compliance Policies**

Participants must comply with the Corporation's Absolutes and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Corporation's Absolutes and Corporate Policy Manual are available online on the Corporation's internal home page.

## **Compliance With Law**

Notwithstanding any other provision of the LTIP or this Schedule of Terms, unless there is an exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Corporation shall not be required to deliver any shares issuable upon settlement of the PSU prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the SEC or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Corporation shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Corporation is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, the Participant agrees that the Corporation shall have unilateral authority to amend the Schedule of Terms without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

## **Language**

The Participant acknowledges and represents that the Participant is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in the English language, so as to enable the Participant to understand the provisions of this Schedule of Terms and the LTIP. If the Participant has received this Schedule of Terms or any other document related to the LTIP translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.

## **Electronic Delivery and Participation**

The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the LTIP by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the LTIP through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation.

## **Severability**

The provisions of this Schedule of Terms are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

## **Imposition of Other Requirements**

The Corporation reserves the right to impose other requirements on the Participant's participation in the LTIP, on the PSU and on any shares of Common Stock acquired under the LTIP, to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional Schedule of Terms or undertakings that may be necessary to accomplish the foregoing.

## **Waiver**

The Participant acknowledges that a waiver by the Corporation of breach of any provision of this Schedule of Terms or the Award Agreement shall not operate or be construed as a waiver of any other provision of this Schedule of Terms or the Award Agreement, or of any subsequent breach by the Participant or any other Participant.

## **Insider Trading/Market Abuse**

The Participant acknowledges that the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Corporation shares, rights to shares (e.g., PSUs) or rights linked to the value of shares (e.g., phantom awards, futures) during such times the Participant is considered to have "inside information" regarding the Corporation as defined in the laws or regulations in the applicable jurisdictions. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant should keep in mind third parties includes fellow employees and service providers. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Corporation. The Participant is responsible for complying with any restrictions and should speak to the Participant's personal advisor on this matter.

## **Exchange Control, Foreign Asset/Account and/or Tax Reporting**

Depending upon the country to which laws the Participant is subject, the Participant may have certain foreign asset/account and/or tax reporting requirements that may affect the Participant's ability to acquire or hold shares of Common Stock under the LTIP or cash received from participating in the LTIP (including from any dividends or dividend equivalents or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside the Participant's country of residence. The Participant's country may require that the Participant report such accounts, assets or transactions to the applicable authorities in the Participant's country. The Participant also may be required to repatriate cash received from participating in the LTIP to the Participant's country within a certain period of time after receipt. The Participant is responsible for knowledge of and compliance with any such regulations and should speak with the Participant's personal tax, legal and financial advisors regarding same.

## **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the PSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, in its sole discretion, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to

this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law and Venue**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. For purposes of litigating any dispute that arises under this PSU Award or the Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Connecticut, agree that such litigation shall be conducted in the courts of Hartford County, Connecticut, or the federal courts for the United States for the District of Connecticut, where this grant is made and/or to be performed.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

[otistotalrewards@otis.com](mailto:otistotalrewards@otis.com)

OR

Otis Worldwide Corporation  
Attn: Stock Plan Administrator  
One Carrier Place  
Farmington, CT 06032

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

**Appendix**  
**Otis Worldwide Corporation**  
**Performance Share Unit Award Schedule of Terms**

**Additional Terms and Conditions for Non-U.S. Participants**

This Appendix includes additional terms and conditions that govern the PSUs granted to the Participant under the LTIP if the Participant resides and/or works in one of the countries listed below. It also includes certain securities information of which the Participant should be aware. The information is based on the laws in effect in the respective countries as of **January 2025**.

Capitalized terms used but not defined in this Appendix have the meanings set forth in the LTIP and/or in this Schedule of Terms.

If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the PSUs, the Corporation shall, in its discretion, determine to what extent the additional terms and conditions contained herein shall be applicable to the Participant.

## **AUSTRALIA**

**Securities Law Information.** This offer of PSUs is being made under Division 1A, Part 7.12 of the Corporations Act 2001 (Cth).

## **AUSTRIA**

There are no country-specific provisions.

## **BELGIUM**

There are no country-specific provisions.

## **BRAZIL**

**Nature of Award.** This provision supplements the “Nature of Award” section of this Schedule of Terms:

By accepting this PSU Award, the Participant acknowledges and agrees that (i) the Participant is making an investment decision, and (ii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease over the vesting period, without compensation to the Participant.

Further, the Participant acknowledges and agrees that, for all legal purposes, (i) any benefits provided to the Participant under the LTIP are unrelated to the Participant’s employment or service; (ii) the LTIP is not a part of the terms and conditions of the Participant’s employment or service; and (iii) the income from the Participant’s participation in the LTIP, if any, is not part of the Participant’s remuneration from employment or service.

**Compliance with Law.** By accepting this Award, the Participant agrees to comply with all applicable Brazilian laws and pay any and all applicable Tax-Related Items associated with the vesting or settlement of the Award, the sale of shares of Common Stock acquired under the LTIP and the receipt of any dividends paid on such shares of Common Stock.

## **CANADA**

**Form of Settlement/ Payment / Conversion of PSUs.** PSUs granted to individuals residing in Canada shall be paid in shares of Common Stock only. In no event shall any PSUs be paid in cash, notwithstanding any discretion contained in the LTIP and/or in this Schedule of Terms to the contrary.

**Data Privacy.** The following provision supplements the “Data Privacy” section of this Schedule of Terms:

The Participant hereby authorizes the Corporation and the Corporation’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the LTIP. The Participant further authorizes the Corporation, the Service Recipient and/or any other Subsidiary or Affiliate to disclose and discuss such information with their advisors. The Participant also authorizes the Corporation, the Service Recipient and/or any other Subsidiary or Affiliate to record such information and to

keep such information in the Participant's employee file. If the Participant is resident in Quebec, the Participant acknowledges and agrees that their personal information, including sensitive personal information, may be transferred or disclosed outside of the province of Quebec, including to the United States. The Participant further acknowledges and authorizes the Corporation, the Service Recipient and/or any other Subsidiary or Affiliate and other parties involved in the administration of the LTIP to use technology for profiling purposes and to make automated decisions that may have an impact on the Participant or the administration of the LTIP.

Securities Law Information. The Participant is permitted to sell shares of Common Stock acquired through the LTIP through the designated broker appointed by the Corporation, provided the resale of such shares takes place outside of Canada and through the facilities of a stock exchange, which should be the case because the Common Stock is currently listed on the New York Stock Exchange.

The following provision applies only if the Participant resides in Quebec:

French Language Documents. A French translation of this document and certain other documents related to the PSUs will be made available to the Participant as soon as reasonably practicable upon request. The Participant understands that, from time to time, additional information related to the PSUs may be provided in English and such information may not be immediately available in French. However, upon request, the Corporation or Service Recipient will provide a translation of such information into French as soon as reasonably practicable. Notwithstanding anything to the contrary in the Schedule of Terms, and unless the Participant indicates otherwise, the French translation of this document and the LTIP will govern the Participant's participation in the LTIP.

Documents En Langue Française. Une traduction française de ce document et de certains autres documents relatifs aux PSUs sera mise à la disposition du Participant dès que raisonnablement possible suite à sa demande. Le Participant comprend que, de temps à autre, des informations supplémentaires relatives aux PSUs peuvent être fournies en anglais et que ces informations peuvent ne pas être immédiatement disponibles en français. Cependant, sur demande, la Société fournira une traduction de ces informations en français dès que raisonnablement possible. Nonobstant toute disposition contraire dans l'Annexe des Conditions, et sauf indication contraire du Participant, la traduction française de ce document et du LTIP régiront la participation du Participant au LTIP.

## **CHILE**

Securities Law Information. The offer of the PSUs constitutes a private offering in Chile effective as of the Grant Date. The offer of the PSUs is made subject to general ruling n° 336 of the Commission for the Financial Market (the "CMF"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the PSUs are not registered in Chile, the Corporation is not required to provide information about the PSUs or the shares of Common Stock in Chile. Unless the PSUs and/or the shares of Common Stock are registered with the CMF, a public offering of such securities cannot be made in Chile.

## **CHINA**

*The following provisions apply to the Participant if the Participant is subject to exchange control regulations in the People's Republic of China ("China"), including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Corporation in its sole discretion:*

### **Exchange Control Restrictions.**

(i) **SAFE Approval.** Notwithstanding anything to the contrary in the Schedule of Terms or the Award Agreement, the Participant will not be permitted to vest in any shares of Common Stock unless and until the necessary approvals for the LTIP have been obtained from SAFE and remain in place, as determined by the Corporation in its sole discretion. Further, the Corporation is under no obligation to issue shares of Common Stock if the Corporation has not or does not obtain SAFE approval or if any such SAFE approval subsequently becomes invalid or ceases to be in effect by the time the Participant vests in the PSUs.

(ii) **Vesting.** If upon the Participant's Termination Date, the Participant is entitled to receive vesting (whether full or pro-rata), shares shall be credited to the Participant as soon practicable. The number of shares to be credited will be determined by the Corporation in its sole discretion. Notwithstanding anything to the contrary in this Schedule of Terms or the Award Agreement, in no event will shares of Common Stock be issued pursuant to PSUs after 6 months following the Termination Date.

(iii) **Mandatory Sale Upon Termination of Employment.** Notwithstanding anything to the contrary in this Schedule of Terms or the Award Agreement, where a Participant's employment or service with the Service Recipient is terminated for whatever reason, the Corporation's broker will sell all the shares of Common Stock held by the Participant as a result of vesting and settlement of PSUs as soon as administratively practicable (and in all cases within 6 months following the Termination Date). The proceeds from such sale, less any applicable withholdings, will be delivered to the Participant (or the Participant's estate) as soon as administratively practicable.

(iv) **Broker Account.** Any shares of Common Stock issued to the Participant upon vesting and settlement of the PSUs must be maintained in an account with UBS or such other broker as may be designated by the Corporation until the shares of Common Stock are sold through that broker.

(v) **Repatriation.** The Participant understands and agrees that, due to local exchange control requirements, he or she is required to repatriate to the China all proceeds he or she receives from participation in the LTIP, including any cash dividends and the cash proceeds from the sale of the shares of Common Stock acquired upon the vesting and settlement of the PSUs. The Participant further understands that, under Chinese law, such repatriation of his or her cash proceeds will be effected through a special exchange control account established by the Corporation, the Service Recipient or another Subsidiary or Affiliate of the Corporation in China, and the Participant hereby consents and agrees that any proceeds he or she may receive as a result of participation in the LTIP will be transferred to such special account prior to being delivered to him or her. Unless the Corporation in its sole discretion decides otherwise, the proceeds will be paid to the Participant in local currency. The Corporation is under no obligation

to secure any particular exchange conversion rate and the Corporation may face delays in converting the proceeds into local currency due to exchange control restrictions in China. The Participant agrees that neither the Corporation nor any Subsidiary or Affiliate can be held liable for any delay in delivering the proceeds to the Participant. The Participant agrees to bear any currency fluctuation risk between the time the shares of Common Stock are sold and the time the sale proceeds are distributed through any such special exchange account.

(vi) **Other.** The Participant further agrees to comply with any other requirements that may be imposed by the Corporation in the future in order to facilitate compliance with exchange control requirements in China and to sign any agreements, forms and/or consents that may be reasonably requested by the Corporation (or the Corporation's designated broker) to effect any of the remittances, transfers, conversions or other processes affecting the proceeds.

#### **CROATIA**

There are no country-specific provisions.

#### **CZECH REPUBLIC**

There are no country-specific provisions.

#### **DENMARK**

There are no country-specific provisions.

#### **FRANCE**

**Language Consent.** By accepting the Award, the Participant confirms having read and understood the LTIP, this Schedule of Terms, and the Award Agreement, which were provided in the English language. The Participant accepts the terms of those documents accordingly.

**Consentement Relatif à la Langue Utilisée.** *En acceptant l'Attribution, le Participant confirme avoir lu et compris le Plan (« LTIP »), les présents Termes et Conditions et le Contrat d'Attribution qui ont été transmis en langue anglaise. Le Participant accepte les dispositions de ces documents en connaissance de cause.*

#### **French-Qualified PSUs.**

*The following provisions apply only if the Participant is eligible to be granted French-Qualified PSUs under the French Sub-Plan (defined below). If the Participant is ineligible to be granted French-Qualified PSUs under the French Sub-Plan, the PSUs will not qualify for the special French tax and social security treatment under Sections L. 225-197-1 to L. 225-197-6 and Sections L. 22-10-59 to L. 22-10-60 of the French Commercial Code, as amended.*

**Type of Grant.** The PSUs are granted as French-Qualified PSUs and are intended to qualify for the special tax and social security treatment applicable to shares of Common Stock granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 and Sections L. 22-10-59 to L. 22-10-60 of the French Commercial Code, as amended. The French-Qualified PSUs are granted subject to the terms and conditions of the French Sub-Plan for Restricted Stock Units (the "French Sub-Plan").

Certain events may affect the status of the PSUs as French-Qualified PSUs or the underlying shares of Common Stock, and the French-Qualified PSUs or the underlying shares of Common Stock may be disqualified in the future. The Corporation does not make any undertaking or representation to maintain the qualified status of the French-Qualified PSUs or of the underlying shares of Common Stock.

Capitalized terms not defined herein, in this Schedule of Terms or in the LTIP shall have the meanings ascribed to them in the French Sub-Plan.

**Restrictions on Sale or Transfer of Shares.**

- (a) Minimum Mandatory Holding Period. The Participant may not sell or transfer any shares of Common Stock issued at settlement until the second anniversary of the Grant Date, or such other period as is required to comply with the minimum mandatory holding period applicable to shares underlying French-Qualified PSUs under Section L. 225-197-1 of the French Commercial Code, as amended, or by the French Tax Code or the French Social Security Code, as amended, to benefit from the special tax and social security regime in France.
- (b) Closed Periods. The Participant may not sell any shares of Common Stock issued upon settlement of the French-Qualified PSUs during certain Closed Periods, to the extent applicable to the shares underlying the French-Qualified PSUs granted by the Corporation, as described in the French Sub-Plan. Notwithstanding anything to the contrary contained in the French Sub-Plan, with regard to French-Qualified PSUs, the term "Closed Period" shall mean such period as set forth in Section L. 225-197-1 of the French Commercial Code, as amended:
  - (i) thirty (30) calendar days before the announcement of an intermediate financial report or end-of-year report that the issuer is required to make public; and
  - (ii) any period during which the Chief Executive Officer (*directeur général*), any Deputy Chief Executive Officer (*directeur général délégué*), members of the Board of Directors (*council d'administration*), the Supervisory Board (*council de surveillance*), or the Executive Board (*directoire*) of the Corporation, or any employee possesses knowledge of inside information within the meaning of Article 7 of the Regulation (EU) No 596/2014 of the Market Abuse Regulation, which has not been made public.
- (c) Effect of Termination of Service. Except in the case of Participant's Termination of Service due to death or Disability, the restrictions described in provisions (a) and (b) above will continue to apply even if the Participant is no longer an employee or managing corporate officer of the Corporation or a French Entity.

**Holding Periods for Managing Corporate Officers.** If on the Grant Date the French Participant qualifies as a managing corporate officer under French law ("*mandataires sociaux*") or any similar official capacity of the Corporation, Service Recipient or a Subsidiary or Affiliate, the French Participant may not sell 20% of the shares of Common Stock acquired upon settlement of the French-Qualified PSUs until the termination of such official capacity, as long as this restriction is applicable to French-Qualified PSUs.

**No Transfer of French-Qualified PSUs.** French-Qualified PSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner during a French Participant's lifetime and upon death only in accordance with Section 9 of the French Sub-Plan, and only to the extent required by applicable laws (including the provisions of Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended).

**Termination of Service Due to Disability.** In the event of Participant's Termination of Service due to Disability, as defined in the French Sub-Plan, prior to the first anniversary of the Grant Date, the PSUs shall remain outstanding and continue to vest in accordance with the French Sub-Plan.

**Termination of Service Due to Death.** In the event of Participant's Termination of Service due to death prior to the satisfaction of the vesting conditions set forth in the vesting schedule, any French-Qualified PSUs that have not vested as of such date may be requested by Participant's legal heirs within six months of the date of death and, if so requested, the shares of Common Stock subject to the French-Qualified PSUs will be issued to Participant's legal heirs.

### GERMANY

There are no country-specific provisions.

### HONG KONG

**Form of Settlement/ Payment / Conversion of PSUs.** PSUs granted to individuals resident in Hong Kong shall be paid in shares of Common Stock only. In no event shall any PSUs be paid in cash, notwithstanding any discretion contained in the LTIP and/or this Schedule of Terms to the contrary.

**Issuance of Shares and Sale of Shares.** This provision supplements the "Vesting" section of this Schedule of Terms: Any shares of Common Stock issued in settlement of the Award are accepted as a personal investment. In the event shares of Common Stock subject to the Award are issued to the Participant within six months of the Grant Date, the Participant agrees that the Participant will not offer the shares of Common Stock to the public in Hong Kong or otherwise dispose of any such shares prior to the six-month anniversary of the Grant Date.

**Securities Law Information.** *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant should exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this Schedule of Terms, the Award Agreement, the LTIP or any other incidental communication materials, the Participant should obtain independent professional advice. The Award and any shares of Common Stock issued upon settlement do not constitute a public offering of securities under Hong Kong law and are available only to service providers of the Corporation and its Subsidiaries and Affiliates. This Schedule of Terms, the Award Agreement, the LTIP and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. The Awards and any related documents are intended only for the personal use of each eligible service provider of the Service Recipient, the Corporation or any other Subsidiary or Affiliate and may not be distributed to any other person.*

## **INDIA**

There are no country-specific provisions.

## **INDONESIA**

**Language Consent.** By accepting the PSU Award, the Participant (i) confirms having read and understood these documents provided in the English language, (ii) accepts the terms of these documents accordingly, and (iii) agrees not to challenge the validity of these documents based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

***Persetujuan dan Pemberitahuan Bahasa. Dengan menerima PSU Penghargaan ini, (i) anda mengkonfirmasi bahwa anda telah membaca dan mengerti isi dokumen yang terkait dengan pemberian Penghargaan ini (yaitu Rencana dan Perjanjian Opsi Saham) yang disediakan untuk anda dalam bahasa Inggris, (ii) anda menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) anda setuju bahwa anda tidak akan mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan atau peraturan pelaksana dari Peraturan Presiden (ketika diterbitkan nantinya).***

## **ITALY**

**LTIP Document Acknowledgment.** By participating in the LTIP, the Participant acknowledges that the Participant has received a copy of the LTIP, this Schedule of Terms, and the Award Agreement and has reviewed the LTIP, this Schedule of Terms, and the Award Agreement in their entirety and fully understands and accepts all provisions of the LTIP, this Schedule of Terms, and the Award Agreement. The Participant further acknowledges that the Participant has read and specifically and expressly approves the sections of this Schedule of Terms addressing (i) Responsibility for Taxes, (ii) Non-assignability, (iii) Nature of Award, (iv) Data Privacy, (v) Compliance With Law, (vi) Imposition of Other Requirements, and (vii) Governing Law and Venue.

## **JAPAN**

There are no country-specific provisions.

## **KOREA**

There are no country-specific provisions.

## **LUXEMBOURG**

There are no country-specific provisions.

## **MALAYSIA**

**Settlement in Cash / Payment / Conversion of PSUs.** Notwithstanding anything to the contrary in the "Payment / Conversion of PSUs" section of this Schedule of Terms, the Participant is not entitled to receive any shares of Common Stock upon vesting of the PSU Award. Instead, the

Participant will receive a cash payment equal to the Fair Market Value of the shares of Common Stock that would otherwise be due to the Participant in connection with the vesting of the PSUs subject to any obligation to satisfy Tax-Related Items. Any references in this Schedule of Terms to the issuance of shares of Common Stock shall be interpreted to mean the payment of a cash equivalent of such shares.

Data Privacy. The following provision replaces the “Data Privacy” section in this Schedule of Terms:

***The Participant hereby explicitly, voluntarily and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Schedule of Terms and any other PSU grant materials by and among, as applicable, the Corporation and the Service Recipient for the purpose of implementing, administering and managing the LTIP.***

***The Participant may have previously provided the Corporation and the Service Recipient, and the same may hold, certain personal information about the Participant, including, but not limited to, name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Corporation, the fact and condition of Participant's participation in the LTIP, details of all awards or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor (“Data”), for the purpose of implementing, administering and managing the LTIP.***

***The Participant also authorizes any transfer of Data to UBS, or such other stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the LTIP. The Participant acknowledges that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country, which may not provide the same level of protection to Data. The Participant understands that if the Participant resides outside the United States, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the Corporation, UBS and any other possible recipients which may assist the Corporation (presently or in the future) with the implementation, administration and management of the LTIP, and any other possible recipients which may assist the Corporation (presently or in the future) with implementing, administering and managing the LTIP to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the LTIP. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the LTIP. The Participant understands that if the Participant resides outside the United States, the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Stock Plan Administrator in writing at [otistotalrewards@otis.com](mailto:otistotalrewards@otis.com). Further, the Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the***

*Participant's consent, the Participant's employment status or service and career with the Service Recipient will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Corporation would not be able to grant the Participant RSUs or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the LTIP. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.*

**Bahasa Malaysia Translation**

*Peserta dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi Peserta seperti yang dinyatakan dalam Jadual Terma dan sebarang bahan geran Unit Saham Terbatas ("PSU") yang lain oleh dan di antara, sebagaimana yang berkenaan, Perbadanan dan Penerima Perkhidmatan untuk tujuan pelaksanaan, pentadbiran dan pengurusan LTIP tersebut.*

*Sebelum ini, Peserta mungkin telah membekalkan Perbadanan dan Penerima Perkhidmatan, dan mereka mungkin memegang, maklumat peribadi tertentu tentang Peserta, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah dan nombor telefon, alamat emel, tarikh lahir, insurans sosial, nombor pasport atau pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Perbadanan, fakta dan syarat penyertaan Peserta dalam LTIP, butir-butir semua anugerah atau apa-apa hak lain untuk syer dalam Saham Biasa yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah Peserta ("Data"), untuk tujuan melaksanakan, mentadbir dan menguruskan LTIP tersebut.*

*Peserta juga memberi kuasa untuk membuat apa-apa pemindahan Data kepada UBS, atau pembekal perkhidmatan pelan saham lain yang dipilih oleh Perbadanan pada masa depan, yang membantu Perbadanan dalam pelaksanaan, pentadbiran dan pengurusan LTIP. Peserta mengakui bahawa penerima-penerima Data ini mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima-penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Peserta, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Peserta fahami bahawa sekiranya Peserta menetap di luar Amerika Syarikat, Peserta boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan Peserta. Peserta memberi kuasa kepada Perbadanan, UBS dan mana-mana penerima lain yang mungkin akan membantu Perbadanan (pada masa kini atau masa depan) dengan pelaksanaan, pentadbiran dan pengurusan LTIP, dan mana-mana penerima lain yang mungkin membantu Perbadanan (pada masa kini atau masa depan) dengan pelaksanaan, pentadbiran dan pengurusan LTIP untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan untuk melaksanakan, mentadbir dan menguruskan LTIP tersebut. Peserta fahami bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan LTIP tersebut. Peserta fahami bahawa sekiranya Peserta*

**menetap di luar Amerika Syarikat, Peserta boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta pindaan-pindaan yang diperlukan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi Pentadbir Pelan Saham secara bertulis di [otistotalrewards@otis.com](mailto:otistotalrewards@otis.com). Selanjutnya, Peserta memahami bahawa Peserta memberikan persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian berusaha untuk membatalkan persetujuan Peserta, status penggajian Peserta atau perkhidmatan dan kerjayanya dengan Penerima Perkhidmatan tidak akan terjejas; satu-satunya akibat jika menolak atau menarik balik persetujuan Peserta adalah bahawa Perbadanan tidak akan dapat memberikan PSUs atau anugerah ekuiti lain kepada Peserta atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta fahami bahawa keengganan atau penarikan balik persetujuan Peserta boleh menjejaskan keupayaan Peserta untuk mengambil bahagian dalam LTIP tersebut. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan keizinan atau penarikan balik keizinan, Peserta fahami bahawa Peserta boleh menghubungi wakil sumber manusia tempatan Peserta.**

### **MEXICO**

**LTIP Document Acknowledgment.** By accepting the PSUs, the Participant acknowledges that the Participant has received a copy of the LTIP and the Schedule of Terms, which the Participant has reviewed. The Participant acknowledges further that the Participant accepts all the provisions of the LTIP and the Schedule of Terms. The Participant also acknowledges that he or she has read and specifically and expressly approves the terms and conditions set forth in the "Nature of Award" section in the Schedule of Terms, which clearly provides as follows:

- (1) The Participant's participation in the LTIP does not constitute an acquired right;
- (2) The LTIP and the Participant's participation in the LTIP are offered by the Corporation on a wholly discretionary basis;
- (3) The Participant's participation in the LTIP is voluntary; and
- (4) The Corporation and its Subsidiaries and Affiliates are not responsible for any decrease in the value of any shares of Common Stock acquired at vesting and settlement of the PSUs.

**Labor Law Policy and Acknowledgment.** By accepting the PSUs, the Participant expressly recognizes that the Corporation, with registered offices at One Carrier Place, Farmington, CT 06032, U.S.A, is solely responsible for the administration of the LTIP, and that the Participant's participation in the LTIP and acquisition of shares of Common Stock do not constitute an employment relationship between the Participant and the Corporation since the Participant is participating in the LTIP on a wholly commercial basis and the employer in Mexico ("Otis Mexico") is the Participant's sole employer. Based on the foregoing, the Participant expressly recognizes that the LTIP and the benefits that the Participant may derive from participating in the LTIP do not establish any rights between the Participant and the employer, Otis Mexico, and do not form part of the employment conditions and/or benefits provided by Otis Mexico, and any modification of the LTIP or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that his or her participation in the LTIP is as a result of a unilateral and discretionary decision of the Corporation; therefore, the Corporation reserves the

absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that the Participant does not reserve to him- or herself any action or right to bring any claim against the Corporation for any compensation or damages regarding any provision of the LTIP or the benefits derived under the LTIP, and the Participant therefore grants a full and broad release to the Corporation, the Service Recipient, Subsidiaries, Affiliates, divisions, branches, representative offices, shareholders, directors, officers, employees, agents, or legal representatives with respect to any claim that may arise.

**Spanish Translation**

**Reconocimiento del Documento del Plan.** *Al aceptar las Unidades, el Participante reconoce que ha recibido una copia del Plan y del Acuerdo de Acciones Restringidas, que el Participante ha revisado. El Participante reconoce, además, que acepta todas las disposiciones del Plan y del Acuerdo de Acciones Restringidas. El Participante también reconoce que ha leído y que concretamente aprueba de forma expresa los términos y condiciones establecidos en la Sección "Naturaleza de la Subvención" del Acuerdo de Acciones Restringidas, que claramente dispone lo siguiente:*

*(1) La participación del Participante en el Plan no constituye un derecho adquirido;*

*(2) El Plan y la participación del Participante en el Plan se ofrecen por la Sociedad en su entera discrecionalidad;*

*(3) La participación del Participante en el Plan es voluntaria; y*

*(4) La Sociedad y sus Subsidiarias y Afiliadas no son responsables de ninguna reducción en el valor de las Acciones Comunes adquiridas al conferir las Unidades de Acciones Restringidas.*

**Política Laboral y Reconocimiento.** *Al aceptar las Unidades de Acciones Restringidas, el Participante expresamente reconoce que la Sociedad, con sus oficinas registradas y ubicadas en One Carrier Place, Farmington, CT 06032, U.S.A., es la única responsable por la administración del Plan y que la participación del Participante en el Plan y la adquisición de Acciones Comunes no constituyen una relación de trabajo entre el Participante y la Sociedad, ya que el Participante participa en el Plan en un marco totalmente comercial y el patrón en México ("Otis Mexico") es su único patrón. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el patrón, Otis Mexico, y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Otis Mexico, y que cualquier modificación al Plan o su terminación no constituye un cambio o impedimento de los términos y condiciones de la relación de trabajo del Participante.*

*Asimismo, el Participante reconoce que su participación en el Plan es resultado de una decisión unilateral y discrecional de la Sociedad; por lo tanto, la Sociedad se reserva el*

***derecho absoluto de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna al Participante.***

***Finalmente, el Participante por este medio declara que no se reserva ninguna derecho o acción en contra de la Sociedad por cualquier compensación o daños y perjuicios en relación de las disposiciones del Plan o de los beneficios derivados del Plan, y por lo tanto, el Participante otorga una liberación completa y amplia a la Sociedad, Afiliadas, Subsidiarias, sucursales, oficinas de representación, accionistas, directores, autoridades, empleados, agentes, o representantes legales en relación a cualquier demanda o controversia que pudiera surgir.***

Securities Law Information. The PSUs granted, and any shares of Common Stock acquired, under the LTIP have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the LTIP, the Schedule of Terms and any other document relating to the PSUs granted under the LTIP may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Corporation and any Subsidiary or Affiliate, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of Otis Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

#### **MOROCCO**

Settlement in Cash / Payment / Conversion of PSUs. Notwithstanding anything to the contrary in the "Payment / Conversion of PSUs" section of this Schedule of Terms, the Participant is not entitled to receive any shares of Common Stock upon vesting of the Award. Instead, the Participant will receive a cash payment equal to the Fair Market Value of the shares of Common Stock that would otherwise be due to the Participant in connection with the vesting of the PSUs subject to any obligation to satisfy Tax-Related Items. Any references in this Schedule of Terms to the issuance of shares of Common Stock shall be interpreted to mean the payment of a cash equivalent of such shares.

#### **NETHERLANDS**

There are no country-specific provisions.

#### **POLAND**

There are no country-specific provisions.

## **PORTUGAL**

**Language Consent.** The Participant hereby expressly declares that the Participant has full knowledge of the English language and has read, understood and freely accepted and agreed with the terms and conditions established in the LTIP and this Schedule of Terms.

**Conhecimento da Língua.** *Pela presente, o Participante declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo (Schedule of Terms em inglês).*

## **SAUDI ARABIA**

**Securities Law Information.** This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules of the Offers of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If the Participant does not understand the contents of this document, the Participant should consult an authorized financial adviser.

## **SINGAPORE**

**Restriction on Sale of Shares.** To the extent the Award vests within six months of the Grant Date, the Participant may not dispose of the shares of Common Stock issued upon settlement of the PSUs, or otherwise offer the shares of Common Stock to the public, prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”) or pursuant to, and in accordance with the conditions of any other applicable provision of the SFA.

**Securities Law Information.** The Award is being made to the Participant in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the SFA is exempt from the prospectus and registration requirements under the SFA and is not made to the Participant with a view to the Award or underlying shares of Common Stock being subsequently offered for sale to any other party. The LTIP has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore.

## **SPAIN**

**Nature of Award.** This provision supplements the “Nature of Award” section of this Schedule of Terms:

By accepting the Award, the Participant consents to participation in the LTIP and acknowledges that the Participant has received a copy of the LTIP.

The Participant understands that the Corporation has unilaterally, gratuitously and in its sole discretion decided to grant an Award under the LTIP to individuals who may be contractors,

directors, or employees of the Service Recipient, the Corporation, or one of its other Subsidiaries or Affiliates throughout the world. The decision is limited and entered into based upon the express assumption and condition that (i) any Award will not economically or otherwise bind the Corporation or any Subsidiary or Affiliate, including the Service Recipient, on an ongoing basis, other than as expressly set forth in this Schedule of Terms, and (ii) the PSUs and any shares of Common Stock shall not become part of any employment or other service contract (whether with the Corporation or any Subsidiary or Affiliate, including the Service Recipient) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the Award, which is gratuitous and discretionary, since the future value of the Award, and the underlying shares of Common Stock, is unknown and unpredictable.

Further, the Participant's participation in the LTIP is expressly conditioned on the Participant's continued and active rendering of service, such that, except as provided in the "Termination of Service" section of this Schedule of Terms, if the Participant's employment or service terminates for any reason, the Participant's participation in the LTIP will cease immediately. This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant's employment or service ceases due to a change of work location, duties or any other employment or contractual condition; or (4) the Participant's employment or service ceases due to a unilateral breach of contract by the Corporation or any of its Subsidiaries and Affiliates. Consequently, upon Termination of Service for any of the above reasons, the Participant automatically lose any right to participate in the LTIP on the date of the Participant's Termination of Service, as described in the LTIP, this Schedule of Terms, and the Award Agreement.

Furthermore, the Participant hereby agrees that by accepting the Award, the Participant authorizes the Corporation and/or the Service Recipient, or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following: (i) deducting directly from any payment due to the Participant or from any obligation of the Corporation and/or the Service Recipient to the Participant (including but not limited to, withholding from the Participant's regular compensation); (ii) requiring the Participant (or the Participant's estate or beneficiaries, as applicable) to pay the Corporation an amount sufficient to satisfy compliance with the Tax-Related Items; (iii) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Corporation (on the Participant's behalf pursuant to this authorization and without further consent); (iv) withholding in shares of Common Stock to be issued upon settlement of the PSUs; (v) withholding from dividend equivalents paid on the PSUs; or (vi) any other method of withholding determined by the Corporation and to the extent required by applicable law or the LTIP, approved by the Committee.

**Securities Law Information.** The Award and shares of Common Stock described in this Schedule of Terms do not qualify under Spanish regulations as securities. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory. The LTIP, this Schedule of Terms, and the Award Agreement have not been nor will they be registered with the *Comisión Nacional del Mercado de Valores*, and do not constitute a public offering prospectus.

## **SWEDEN**

**Authorization to Withhold.** This provision supplements the “Responsibility for Taxes” section of this Schedule of Terms:

Without limiting the Corporation’s and the Service Recipient’s authority to satisfy their withholding obligations for Tax-Related Items as set forth in this Schedule of Terms, by accepting the Award, the Participant authorizes the Corporation and/or the Service Recipient to withhold shares of Common Stock or to sell shares of Common Stock otherwise deliverable to the Participant upon vesting/settlement to satisfy Tax-Related Items, regardless of whether the Corporation and/or the Service Recipient have an obligation to withhold such Tax-Related Items.

## **SWITZERLAND**

**Securities Law Information.** Because the offer of the Award is considered a private offering in Switzerland, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Award (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Corporation or Service Recipient or (iii) have been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

## **TAIWAN**

**Securities Law Information.** The offer of participation in the LTIP is available only for employees of the Corporation or Service Recipient. The offer of participation in the LTIP is not a public offer of securities by a Taiwanese company.

## **THAILAND**

There are no country-specific provisions.

## **TURKEY**

**Securities Law Information.** Shares of Common Stock acquired under the LTIP cannot be sold in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol “OTIS” and the shares may be sold through this exchange.

**Financial Intermediary Obligation.** Turkish residents are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through a financial intermediary licensed in Turkey. Therefore, in order to sell shares of Common Stock acquired under the LTIP, individuals may be required to appoint a Turkish broker to assist with the sale.

## **UNITED ARAB EMIRATES**

**Securities Law Information.** Participation in the LTIP is being offered only to eligible service providers of the Corporation and any Subsidiary or Affiliate and is in the nature of providing equity incentives to employees in the United Arab Emirates. The LTIP, this Schedule of Terms,

and the Award Agreement are intended for distribution only to such service providers and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Participant does not understand the contents of the LTIP, this Schedule of Terms, or the Award Agreement, the Participant should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the LTIP. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the LTIP, this Schedule of Terms, or the Award Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

#### **UNITED KINGDOM**

Responsibility for Taxes. This provision supplements the “Responsibility for Taxes” section of this Schedule of Terms:

Without limitation to the “Responsibility for Taxes” section of this Schedule of Terms, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Corporation or the Service Recipient or by HM Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Corporation and the Service Recipient against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant’s behalf.

Notwithstanding the foregoing, if the Participant is a director or an executive officer of the Corporation (within the meaning of such terms for purposes of Section 13(k) of the Exchange Act), and the income tax is not collected from or paid by the Participant, the amount of uncollected income tax may constitute an additional benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Corporation or the Service Recipient (as appropriate) for the value of any National Insurance Contributions due on this additional benefit, which the Corporation or the Service Recipient may collect by any of the means referred to in the LTIP or this Schedule of Terms.

Section 431 Election. The Participant agrees that the Participant is required to enter into a joint election with the Service Recipient pursuant to section 431 of Income Tax (Earnings and Pensions) Act 2003 (or such other election as the Corporation may direct for the same purpose) electing that the fair market value of the shares of Common Stock to be acquired upon the settlement of the PSU be calculated as if they were not “restricted securities.” The issuance of shares of Common Stock pursuant to the PSU Award is conditioned upon the Participant’s entering into the form of section 431 election attached immediately below.

#### **VIETNAM**

There are no country-specific provisions.

## **NOTICE TO UK PARTICIPANTS**

### **REGARDING THE TAX IMPACT OF ACCEPTING THE 431 ELECTION**

Because there is a risk that HM Revenue & Customs (“HMRC”) may consider the shares you acquire at settlement of your Restricted Stock Units (“RSUs”), Performance Share Units (“PSUs”) and/or exercise of your Stock Appreciation Rights (“SARs”) to be “restricted” securities, you are required to enter into a joint election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 (“431 Election”). This will ensure that you will be subject to tax on the full unrestricted market value of shares at settlement or exercise thereby avoiding any subsequent taxable event (other than upon sale of shares acquired at settlement or exercise as applicable).

**Clicking on the “ACCEPT” box indicates your acceptance of Part A of the two part “Joint Election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 for disapplication of Chapter 2 of the Income Tax (Earnings and Pensions) Act 2003”. Your employer will sign and maintain Part B on file. You should read this Notice in its entirety before accepting the 431 Election.**

#### **Tax Impact of Accepting the 431 Election**

By entering into the Election:

- you agree that you will be subject to income tax and National Insurance contributions on the full unrestricted market value of shares at settlement of your RSUs, PSUs and/or exercise of your SARs notwithstanding Otis Worldwide Corporation (“Corporation”)’s discretion to require you to give back shares or cash paid in connection with your awards in the event you engage in activity harmful to the Corporation as described in the “Forfeiture of Award and Repayment of Realized Gains” section of the Schedule of Terms; and
- you acknowledge that even if you have clicked on the “ACCEPT” box where indicated, the Corporation or your employer may still require you to sign a paper copy of this 431 Election (or a substantially similar form) if the Corporation determines necessary to give effect to the 431 Election.

Please read the 431 Election carefully before accepting the 431 Election.

Please print and keep a copy of the 431 Election for your records.

## Otis Worldwide Corporation

### Joint Election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 for full disapplication of Chapter 2 of the Income Tax (Earnings and Pensions) Act 2003

#### Two Part Election

##### Part A - To be completed by the Employee

###### 1. Between

The Employee who has obtained authorized access to the joint election

and

The Company (who is the Employee's employer) identified in the attached Schedule

of the Company Registration Number provided in the attached Schedule

###### 2. Purpose of Election

This joint election is made pursuant to section 431(1) Income Tax (Earnings and Pensions) Act 2003 (ITEPA) and applies where employment-related securities, which are restricted securities by reason of section 423 ITEPA, are acquired.

The effect of an election under section 431(1) is that, for the relevant Income Tax and NIC purposes, the employment-related securities and their market value will be treated as if they were not restricted securities and that sections 425 to 430 ITEPA do not apply. Additional Income Tax will be payable (with PAYE and NIC where the securities are Readily Convertible Assets).

**Should the value of the securities fall following the acquisition, it is possible that Income Tax/NIC that would have arisen because of any future chargeable event (in the absence of an election) would have been less than the Income Tax/NIC due by reason of this election. Should this be the case, there is no Income Tax/NIC relief available under Part 7 of ITEPA 2003; nor is it available if the securities acquired are subsequently transferred, forfeited or revert to the original owner.**

###### 3. Application

This joint election is made not later than 14 days after the date of acquisition of the securities by the Employee and applies to:

Number of securities	All securities
Description of securities	Shares of common stock of Otis Worldwide Corporation
Name of issuer of securities	Otis Worldwide Corporation, a Delaware corporation

acquired by the Employee on or after the date of this joint election under the terms of the Otis Worldwide Corporation 2020 Long-Term Incentive Plan.

**4. Extent of Application**

This election under section 431(1) ITEPA disapplies all restrictions attaching to the securities.

**5. Declaration**

This election will become irrevocable upon the later of the date it is signed or accepted electronically or the acquisition and each subsequent acquisition of employment-related securities to which this election applies.

In signing or electronically accepting this joint election, I agree to be bound by its terms as stated above.

.....      ...../...../.....  
Signature (Employee)      Date

*Note: Where the election is in respect of multiple acquisitions, prior to the date of any subsequent acquisition of a security it may be revoked by agreement between the Employee and the Service Recipient in respect of that and any later acquisition.*

**SCHEDULE TO FORM OF ELECTION – EMPLOYING COMPANY**

The employing companies to which this joint election relates are:

**Employing Company**  
Otis Ltd.

**Company Registration Number**  
147366

**Otis Worldwide Corporation  
2020 Long-Term Incentive Plan**

# **Restricted Stock Unit Award**

## ***Schedule of Terms***

***(February 4, 2025)***

This Schedule of Terms describes the material features of the Participant's Restricted Stock Unit Award (the "RSU Award" or the "Award") granted under the Otis Worldwide Corporation 2020 Long-Term Incentive Plan, as Amended and Restated as of January 1, 2024 (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on the Corporation's internal employee website and at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

You should read this document carefully. There are circumstances under which your Award could be forfeited and you could be obligated to repay gains realized from the Award to the Corporation (e.g., see the "Forfeiture of Award and Repayment of Realized Gains").

If you are a Non-U.S. Participant, please refer to the Appendix for additional terms and conditions that may apply to you.

## **Certain Definitions**

A Restricted Stock Unit (an "RSU") represents the right to receive one share of common stock of Otis Worldwide Corporation (the "Common Stock") (or a cash payment equal to the Fair Market Value thereof). RSUs generally vest and are converted into shares of Common Stock if the Participant remains employed or otherwise engaged by the Corporation or the Service Recipient through the applicable vesting date schedule set forth on the Award Agreement (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that may result in accelerated vesting (see "Termination of Service" below). "Company" means Otis Worldwide Corporation (the "Corporation"), together with its subsidiaries, divisions and affiliates. "Service Recipient" means an entity other than the Corporation in the Company group that employs or otherwise engages the Participant. "Termination Date" means the date the Participant's employment ends, or, if different, the date the Participant ceases providing services to the Company as an employee, consultant, or in any other capacity. For the avoidance of doubt, and as described in more detail in the section entitled "Nature of Award," absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

## **Country-Specific Appendix**

Notwithstanding any provisions in this Schedule of Terms, the RSU grant shall be subject to any special or additional terms and conditions set forth in any Appendix to this Schedule of Terms for the Participant's work country, unless determined otherwise by the Committee. Moreover, if the Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to the Participant, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Schedule of Terms.

## **Acknowledgement and Acceptance of the Otis RSU Award**

The number of RSUs awarded is set forth in the Award Agreement. The recipient of the RSU Award (the "Participant") must affirmatively acknowledge and accept the terms and conditions of the RSU Award, which are contained in this Schedule of Terms, within 150 days following the Grant Date. A failure to acknowledge and accept the RSU Award within 150 days from the Grant Date will result in the forfeiture of the RSU Award.

Participants must acknowledge and accept the terms and conditions of this RSU Award electronically via the Union Bank of Switzerland ("UBS") *One Source* website at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS). Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this RSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator.

If you are employed in the State of Illinois, you (1) are advised under the Illinois Freedom to Work Act to consult with an attorney prior to agreeing to the covenants described in the section entitled "Forfeiture of Award and Repayment of Realized Gains" of this RSU Award, and (2) have been provided at least 14 calendar days to review these covenants prior to the acceptance deadline.

### **Dividends**

RSUs granted under this Award will earn dividend equivalent units each time the Corporation pays a cash dividend to Common Stock shareholders. Dividend equivalents will be credited as additional RSUs to Awards outstanding on the dividend payment date and will vest under the same vesting conditions as the underlying RSUs. The number of additional RSUs that will be credited on any dividend payment date will equal (i) the per share cash dividend amount, multiplied by (ii) the number of RSUs subject to the RSU Award (including RSUs resulting from prior dividend equivalents), divided by (iii) the Fair Market Value of a share of Common Stock on the dividend payment date, rounded down to the nearest whole number of RSUs. No cash will be payable for any fractional dividend equivalent.

### **Vesting**

RSU Awards will vest in accordance with the schedule set forth in the Award Agreement, subject to the Participant's continued employment or service with the Corporation or Service Recipient through each applicable vesting date. Any unvested RSUs will be forfeited in the event of Termination of Service prior to the applicable vesting date, except in certain earlier terminations involving Retirement, Involuntary Termination, Disability, Change-in-Control Termination, or Death (see "Termination of Service" below).

RSUs may also be forfeited and value realized from previously vested RSUs may be recouped by the Corporation under certain circumstances (see "Forfeiture of Award and Repayment of Realized Gains" below).

### **No Shareowner Rights**

An RSU is the right to receive a share of Common Stock in the future (or a cash payment equal to the Fair Market Value), subject to continued employment or service and certain other conditions. The holder of an RSU has no voting or other rights accorded to owners of Common Stock, unless and until RSUs are converted into shares of Common Stock.

### **Payment / Conversion of RSUs**

Vested RSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following the applicable vesting date (which date shall be the Termination Date to the extent that the RSUs vest on a Termination of Service due to Retirement, involuntary termination (other than for Cause, death or Disability), death, Disability or Change in Control Termination (as provided below), but in no event later than March 15th following the year in which such vesting date occurs (see special rules for specified employees

in “Specified Employees”). RSUs may be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

### **Termination of Service**

The treatment of RSUs upon Termination of Service depends upon the reason for termination, as detailed in the following sections. RSUs held for less than one (1) year as of the Termination Date will be forfeited, except in the event of Death, Disability, or Change-in-Control Termination, as discussed below.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the Termination Date unless required by applicable law.

**Retirement.** If the Participant’s termination results from Retirement, unvested RSUs held for at least one (1) year as of the Termination Date will fully vest and convert into shares of Common Stock (or cash) to be delivered to the Participant in accordance with the section entitled “Payment/Conversion of RSUs,” subject to the delay noted below under “Specified Employees,” if applicable. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- “Normal Retirement” means retirement on or after age 65;
- “Early Retirement” means retirement on or after age 55 with at least 10 years of continuous service as of the Termination Date.

The Participant will not receive Retirement treatment with respect to any Award in the event of involuntary termination by the Corporation or the Service Recipient for Cause even if the Participant qualifies for Retirement.

The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

**Involuntary Termination for Cause.** If the Participant’s termination results from an involuntary termination by the Corporation or the Service Recipient for Cause (as defined in the LTIP), unvested RSUs will be forfeited as of the Termination Date regardless of the Participant’s Retirement eligibility. In addition, value realized from previously vested RSUs is subject to repayment in the event of termination for Cause or certain other occurrences (see “Forfeiture of Award and Repayment of Realized Gains” below).

**Involuntary Termination other than for Cause, Death or Disability.** If the Participant’s termination results from an involuntary termination by the Corporation or the Service Recipient for reasons other than Cause, death or Disability, and does not constitute a Change-in Control Termination, unvested RSUs held for at least one (1) year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Corporation, if requested, a release of claims in a form and manner satisfactory to the Corporation. The pro-rata vesting of an RSU Award held for at least one (1) year will be based on the number of days during the full

vesting period (e.g., three-year period if the RSU Award vests ratably over three years) that the Participant was employed with (or performed service for) the Corporation or Service Recipient, divided by the total number of days in the full vesting period, rounded up to the nearest share, and then reduced by any portion of the RSU Award that previously vested. The pro-rata RSUs will fully vest and convert into shares of Common Stock (or cash) to be delivered to the Participant in accordance with the section entitled "Payment/Conversion of RSUs." RSUs not eligible to vest under this pro-rata vesting formula will be forfeited as of the Termination Date.

Absences from employment because of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service will not be recognized as service in determining the pro-rata vesting percentage, unless required by applicable law.

Example pro-rata vesting percentage calculation (assumes no dividends are paid for simplicity):

- # RSUs granted: 900
- Vesting schedule: 3-year ratable vesting (i.e., 300 on year 1, 300 on year 2, and 300 on year 3)
- % time participated in full vesting period: 50%

# of pro-rata units = (# units granted) \* (% time participated in full vesting period) – (already vested units)

$$150 = (900 * 50\%) - 300$$

Retirement eligible Participants will be eligible to vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below.

**Voluntary Termination.** If the Participant voluntarily terminates employment or service (other than for Retirement or a Change-in-Control Termination), the Participant is not entitled to vesting and will forfeit all unvested RSUs as of the Termination Date. If the Corporation or Service Recipient terminates the Participant's employment or service after receiving notice from the Participant that the Participant is voluntarily terminating employment or service, such termination shall be considered a voluntary termination by the Participant.

**Death or Disability.** If the Participant dies while still employed by, or providing services to, the Corporation or the Service Recipient, or if the Participant incurs a Disability, all unvested RSUs will vest as of the date of death or Disability, as applicable, and be converted to shares of Common Stock to be delivered to the Participant, Participant's estate or designated beneficiary (if such a designation has been provided to the Corporation, and to the extent the Corporation determines such designation to be valid), as may be determined in the Corporation's sole discretion (where applicable), in accordance with the section entitled "Payment/Conversion of RSUs." To be considered a Disability under this Award, the "disability" event must meet the definition under Section 409A(a)(2)(C) of the Code.

**Change-in-Control Termination.** If the RSUs are replaced with a Replacement Award in connection with a Change-in-Control in accordance with Section 10(c) of the LTIP, and the

Participant's termination results from an involuntary termination by the Corporation or the Service Recipient for reasons other than for Cause, death or Disability, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested RSUs will vest and be converted into shares of Common Stock (or cash) to be delivered to the Participant in accordance with the section entitled "Payment/Conversion of RSUs," subject to the delay noted below under "Specified Employees," if applicable.

**Specified Employees.** If the Participant is a "specified employee" within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Corporation) at the time of the Participant's Termination of Service, and the RSUs are accelerated and vest by reason of such Participant's Termination of Service (e.g., Change-in-Control Termination, Retirement, or Involuntary Termination), then, to the extent necessary to avoid the application of any additional tax or penalty under Section 409A of the Code and consistent with the terms of the LTIP, these vested RSUs (and unpaid accumulated dividend equivalents) will be held in the Participant's UBS account, and will not be paid or provided until the first business day of the seventh month following the Participant's Termination Date or on the Participant's death or Disability (under the meaning of Section 409A(a)(2) of the Code) if earlier. For clarification purposes, these vested RSUs will continue to earn dividend equivalents during such delay in accordance with the section entitled "Dividends."

#### **Forfeiture of Award and Repayment of Realized Gains**

RSUs, including Common Stock, dividend equivalents, dividends and cash delivered for RSUs, are subject to the Corporation's Compensation Recovery Policy (the "Compensation Recovery Policy"), as in effect from time to time, available on [www.otisinvestors.com](http://www.otisinvestors.com).

The Participant agrees that the restrictions set forth in the Compensation Recovery Policy are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants.

In addition, the Participant acknowledges that if employed in the State of Illinois, he or she has been advised to consult with an attorney before agreeing to these provisions and was provided with at least 14 calendar days to review these covenants. Further, the provisions in the Compensation Recovery Policy pertaining to non-competition shall not be enforced with respect to a Participant during such time the Participant primarily resides or works in California and shall be modified to the extent necessary to allow the Participant to comply with the rules of professional conduct applicable to the Participant (e.g., American Bar Association Model Rule of Professional Conduct 5.6 (Restrictions on Right to Practice)).

Following a Change-in-Control, no incentive compensation clawback, recoupment or repayment policies or provisions adopted by the Corporation, including the Compensation Recovery Policy,

shall apply to Awards granted under the LTIP (or any successor plan) to the Participant; provided, however, that if the Participant is subject to the Corporation's Erroneously Awarded Compensation Recovery Policy because the Participant is or was an executive officer (as defined in that policy), that policy shall continue to apply to the Participant solely to the extent the application of such policy is necessary to comply with applicable law or applicable securities exchange listing standards.

### **Adjustments**

If the Corporation engages in a transaction affecting its capital structure, such as a merger, distribution of a special dividend, spin-off of a business unit, stock split, subdivision or consolidation of shares of Common Stock or other events affecting the value of Common Stock, RSU Awards may be adjusted as determined by the Committee, in its sole discretion.

Further information concerning capital adjustments is set forth in Section 3(d) of the LTIP, which can be located at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

### **Change-in-Control**

In the event of a Change-in-Control or restructuring of the Corporation, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. In the event of a Change-in-Control where the RSUs are not replaced by a Replacement Award, the RSUs will vest in full in accordance with Section 10(b) of the LTIP.

Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

### **Awards Not to Affect Certain Transactions**

RSU Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

### **Responsibility for Taxes**

The Participant acknowledges that, regardless of any action taken by the Corporation or, if different, the Service Recipient, the Participant is responsible for all income taxes, social insurance contributions, payroll taxes, fringe benefits tax, payment on account or other tax-related items attributable to the Participant's participation in the LTIP and legally applicable or deemed applicable to the Participant ("Tax-Related Items"). The Participant further

acknowledges that the Corporation and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award or the underlying shares of Common Stock, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. The Fair Market Value on the date the taxable event occurs will be used to calculate the taxable income realized from the RSUs, and the amount of shares of Common Stock that may be withheld to satisfy the Tax-Related Items, except where otherwise required by applicable law, as determined in the Corporation's sole discretion.

In connection with any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Corporation and/or the Service Recipient to satisfy all Tax-Related Items. By accepting the Award, the Participant authorizes the Corporation and/or the Service Recipient, or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following: (i) deducting directly from any payment due to the Participant or from any obligation of the Corporation and/or the Service Recipient to the Participant (including but not limited to, withholding from the Participant's regular compensation); (ii) requiring the Participant (or the Participant's estate or beneficiaries, as applicable) to pay the Corporation an amount sufficient to satisfy compliance with the Tax-Related Items; (iii) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Corporation (on the Participant's behalf pursuant to this authorization and without further consent); (iv) withholding in shares of Common Stock to be issued upon settlement of the RSUs; (v) withholding from dividend equivalents paid on the RSUs; or (vi) any other method of withholding determined by the Corporation and to the extent required by applicable law or the LTIP, approved by the Committee.

The Corporation and/or the Service Recipient may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including minimum or maximum rates applicable in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock) or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Corporation and/or the Service Recipient. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Participant will be deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock is held back solely for purposes of paying the Tax-Related Items.

The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Corporation and/or the Service Recipient, if any. Further, if the Participant has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, the

Participant acknowledges that the Corporation and/or the Service Recipient may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax.

The Corporation may refuse to distribute an Award if the Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Notwithstanding the foregoing, if the Participant is an individual covered under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the withholding obligations with respect to such taxable event will be satisfied by withholding shares of Common Stock subject to the RSU Award having a Fair Market Value equal to the tax withholding amount.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS).

### **Non-assignability**

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of the Participant in any RSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by (i) will or the applicable laws of descent and distribution or (ii) certain intra-family transfers or transfers pursuant to qualified domestic relations orders subject to procedures and requirements established by the Committee and compliance with U.S. Securities and Exchange Commission ("SEC") rules. Any other attempt to assign such rights or interest shall be void and without force or effect.

### **Nature of Award**

By accepting the grant, the Participant acknowledges, understands and agrees that:

- (i) the LTIP is established voluntarily by the Corporation, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Corporation at any time, to the extent permitted by the LTIP;
- (ii) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (iii) all decisions with respect to future RSUs or other grants, if any, will be at the sole discretion of the Corporation;
- (iv) the grant of the RSU Award and the Participant's participation in the LTIP shall not create a right to employment or other service relationship with the Corporation;
- (v) the grant of the RSU Award and the Participant's participation in the LTIP shall not be interpreted as forming or amending an employment or service contract with the Corporation or the Service Recipient;

- (vi) the Participant is voluntarily participating in the LTIP;
- (vii) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (viii) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;
- (ix) unless otherwise agreed with the Corporation in writing, the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or Affiliate of the Corporation;
- (x) the future value, if any, of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;
- (xi) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of the Participant's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Participant is employed or renders service or the terms of the Participant's employment or service agreement, if any);
- (xii) for purposes of the RSUs and subject to Section 409A, the Participant's employment or service relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Corporation, the Service Recipient or any other Subsidiary or Affiliate of the Corporation (regardless of the reason for such Termination of Service and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or renders service or the terms of the Participant's employment or service agreement, if any), and such date will not be extended by any notice period unless required by applicable law (e.g., the Participant's period of employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or renders services or the terms of the Participant's employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Participant's RSU Award (including whether the Participant may still be considered to be providing services while on a leave of absence); and
- (xiii) neither the Corporation, the Service Recipient nor any other Subsidiary or Affiliate of the Corporation shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

### **Right of Discharge Reserved**

Nothing in the LTIP or in any RSU Award shall confer upon any Participant the right to continued employment or service for any period of time, or affect any right that the Corporation or the

Service Recipient may have to terminate the employment or service agreement, if any, of any Participant at any time for any reason.

### **Administration**

The Board has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer, the Chief People Officer and the Senior Vice President Total Rewards the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Corporation who are covered under Section 16 of the Exchange Act, as amended, and to members of the Corporation's Executive Leadership Group. Awards to these individuals will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

### **Data Privacy**

This notice supplements and should be read in conjunction with the Otis Employee Privacy Notice, available at [www.otis.com/en/us/privacy-policy](http://www.otis.com/en/us/privacy-policy). The Participant understands that the Corporation and the Service Recipient may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Corporation, details of all RSUs or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. This information is used for the exclusive purpose of implementing, administering and managing the LTIP, which is necessary for the Corporation to fulfill its contractual obligations to Participants (and any associated legal requirements), as well as for the Corporation's own legitimate interests.

To the extent that local law requires consent for the Corporation to lawfully hold this information, the Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal information as described in this Schedule of Terms and any other RSU grant materials ("Data") by and among, as applicable, the Service Recipient, the Corporation and its Subsidiaries and Affiliates.

The Participant understands that Data will be transferred to UBS, or such other stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the LTIP. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Any such transfers are consistent with applicable legal requirements, as further described in the Otis Employee Privacy Notice.

The Participant understands that, under applicable law, the Participant may have certain rights in relation to the Data, including the right to access, correct, erase, and restrict the use of such

information, as well as to object in certain cases. Insofar as applicable law requires the Corporation to rely on the Participant's consent to hold this information, the Participant may also have the right to withhold or withdraw such consent, but the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the LTIP. The Participant may exercise these rights, where applicable, by contacting the Corporation at [privacy@otis.com](mailto:privacy@otis.com). The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the LTIP.

### **Corporation Compliance Policies**

Participants must comply with the Corporation's Absolutes and Corporate Policies and Procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Corporation's Absolutes and Corporate Policy Manual are available online on the Corporation's internal home page.

### **Compliance With Law**

Notwithstanding any other provision of the LTIP or this Schedule of Terms, unless there is an exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Corporation shall not be required to deliver any shares issuable upon settlement of the RSU prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the SEC or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Corporation shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Corporation is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, the Participant agrees that the Corporation shall have unilateral authority to amend the Schedule of Terms without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

### **Language**

The Participant acknowledges and represents that the Participant is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in the English language, so as to enable the Participant to understand the provisions of this Schedule of Terms and the LTIP. If the Participant has received this Schedule of Terms or any other document related to the LTIP translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.

### **Electronic Delivery and Participation**

The Corporation may, in its sole discretion, decide to deliver any documents related to current or future participation in the LTIP by electronic means. The Participant hereby consents to receive

such documents by electronic delivery and agrees to participate in the LTIP through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation.

### **Severability**

The provisions of this Schedule of Terms are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

### **Imposition of Other Requirements**

The Corporation reserves the right to impose other requirements on the Participant's participation in the LTIP, on the RSU and on any shares of Common Stock acquired under the LTIP, to the extent the Corporation determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional Schedule of Terms or undertakings that may be necessary to accomplish the foregoing.

### **Waiver**

The Participant acknowledges that a waiver by the Corporation of breach of any provision of this Schedule of Terms or the Award Agreement shall not operate or be construed as a waiver of any other provision of this Schedule of Terms or the Award Agreement, or of any subsequent breach by the Participant or any other Participant.

### **Insider Trading/Market Abuse**

The Participant acknowledges that the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Corporation shares, rights to shares (*e.g.*, RSUs) or rights linked to the value of shares (*e.g.*, phantom awards, futures) during such times the Participant is considered to have "inside information" regarding the Corporation as defined in the laws or regulations in the applicable jurisdictions. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant should keep in mind third parties includes fellow employees and service providers. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Corporation. The Participant is responsible for complying with any restrictions and should speak to the Participant's personal advisor on this matter.

### **Exchange Control, Foreign Asset/Account and/or Tax Reporting**

Depending upon the country to which laws the Participant is subject, the Participant may have certain foreign asset/account and/or tax reporting requirements that may affect the Participant's ability to acquire or hold shares of Common Stock under the LTIP or cash received from participating in the LTIP (including from any dividends or dividend equivalents or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside the

Participant's country of residence. The Participant's country may require that the Participant report such accounts, assets or transactions to the applicable authorities in the Participant's country. The Participant also may be required to repatriate cash received from participating in the LTIP to the Participant's country within a certain period of time after receipt. The Participant is responsible for knowledge of, and compliance with, any such regulations and should speak with the Participant's personal tax, legal and financial advisors regarding same.

### **Interpretations**

This Schedule of Terms provides a summary of terms applicable to the RSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, which can be located at [www.ubs.com/onesource/OTIS](http://www.ubs.com/onesource/OTIS). In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, in its sole discretion and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

### **Governing Law and Venue**

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. For purposes of litigating any dispute that arises under this RSU Award or the Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Connecticut, agree that such litigation shall be conducted in the courts of Hartford County, Connecticut, or the federal courts for the United States for the District of Connecticut where this grant is made and/or to be performed.

### **Additional Information**

Questions concerning the LTIP or Awards and requests for LTIP documents can be directed to:

Stock Plan Administrator

[otistotalrewards@otis.com](mailto:otistotalrewards@otis.com)

OR

Otis Worldwide Corporation  
Attn: Stock Plan Administrator  
One Carrier Place  
Farmington, CT 06032

The Corporation and / or its approved Stock Plan Administrator will send any Award-related communications to the Participant's email address or physical address on record. It is the responsibility of the Participant to ensure that both the e-mail and physical address on record are up-to-date and accurate at all times to ensure delivery of Award-related communications.

Appendix  
Otis Worldwide Corporation  
Restricted Stock Unit Award Schedule of Terms

**Additional Terms and Conditions for Non-U.S. Participants**

This Appendix includes additional terms and conditions that govern the RSUs granted to the Participant under the LTIP if the Participant resides and/or works in one of the countries listed below. It also includes certain securities information of which the Participant should be aware. The information is based on the laws in effect in the respective countries as of **January 2025**.

Capitalized terms used but not defined in this Appendix have the meanings set forth in the LTIP and/or in this Schedule of Terms.

If the Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the RSUs, the Corporation shall, in its discretion, determine to what extent the additional terms and conditions contained herein shall be applicable to the Participant.

## **AUSTRALIA**

**Securities Law Information.** This offer of RSUs is being made under Division 1A, Part 7.12 of the Corporations Act 2001 (Cth).

## **AUSTRIA**

There are no country-specific provisions.

## **BELGIUM**

There are no country-specific provisions.

## **BRAZIL**

**Nature of Award.** This provision supplements the “Nature of Award” section of this Schedule of Terms:

By accepting this RSU Award, the Participant acknowledges and agrees that (i) the Participant is making an investment decision, and (ii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease over the vesting period, without compensation to the Participant.

Further, the Participant acknowledges and agrees that, for all legal purposes, (i) any benefits provided to the Participant under the LTIP are unrelated to the Participant’s employment or service; (ii) the LTIP is not a part of the terms and conditions of the Participant’s employment or service; and (iii) the income from the Participant’s participation in the LTIP, if any, is not part of the Participant’s remuneration from employment or service.

**Compliance with Law.** By accepting this Award, the Participant agrees to comply with all applicable Brazilian laws and pay any and all applicable Tax-Related Items associated with the vesting or settlement of the Award, the sale of shares of Common Stock acquired under the LTIP and the receipt of any dividends paid on such shares of Common Stock.

## **CANADA**

**Form of Settlement.** RSUs granted to individuals residing in Canada shall be paid in shares of Common Stock only. In no event shall any RSUs be paid in cash, notwithstanding any discretion contained in the LTIP and/or in this Schedule of Terms to the contrary.

**Data Privacy.** The following provision supplements the “Data Privacy” section of this Schedule of Terms:

The Participant hereby authorizes the Corporation and the Corporation’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the LTIP. The Participant further authorizes the Corporation, the Service Recipient and/or any other Subsidiary or Affiliate to disclose and discuss such information with their advisors. The Participant also authorizes the Corporation, the Service Recipient and/or any other Subsidiary or Affiliate to record such information and to keep such information in the Participant’s employee file. If the Participant is resident in Quebec,

the Participant acknowledges and agrees that their personal information, including sensitive personal information, may be transferred or disclosed outside of the province of Quebec, including to the United States. The Participant further acknowledges and authorizes the Corporation, the Service Recipient and/or any other Subsidiary or Affiliate and other parties involved in the administration of the LTIP to use technology for profiling purposes and to make automated decisions that may have an impact on the Participant or the administration of the LTIP.

Securities Law Information. The Participant is permitted to sell shares of Common Stock acquired through the LTIP through the designated broker appointed by the Corporation, provided the resale of such shares takes place outside of Canada and through the facilities of a stock exchange, which should be the case because the Common Stock is currently listed on the New York Stock Exchange.

The following provision applies only if the Participant resides in Quebec:

French Language Documents. A French translation of this document and certain other documents related to the RSUs will be made available to the Participant as soon as reasonably practicable upon request. The Participant understands that, from time to time, additional information related to the RSUs may be provided in English and such information may not be immediately available in French. However, upon request, the Corporation or Service Recipient will provide a translation of such information into French as soon as reasonably practicable. Notwithstanding anything to the contrary in the Schedule of Terms, and unless the Participant indicates otherwise, the French translation of this document and the LTIP will govern the Participant's participation in the LTIP.

Documents En Langue Française. Une traduction française de ce document et de certains autres documents relatifs aux RSUs sera mise à la disposition du Participant dès que raisonnablement possible suite à sa demande. Le Participant comprend que, de temps à autre, des informations supplémentaires relatives aux RSUs peuvent être fournies en anglais et que ces informations peuvent ne pas être immédiatement disponibles en français. Cependant, sur demande, la Société fournira une traduction de ces informations en français dès que raisonnablement possible. Nonobstant toute disposition contraire dans l'Annexe des Conditions, et sauf indication contraire du Participant, la traduction française de ce document et du LTIP régiront la participation du Participant au LTIP.

## **CHILE**

Securities Law Information. The offer of the RSUs constitutes a private offering in Chile effective as of the Grant Date. The offer of the RSUs is made subject to general ruling n° 336 of the Commission for the Financial Market (the "CMF"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the RSUs are not registered in Chile, the Corporation is not required to provide information about the RSUs or the shares of Common Stock in Chile. Unless the RSUs and/or the shares of Common Stock are registered with the CMF, a public offering of such securities cannot be made in Chile.

## CHINA

*The following provisions apply to the Participant if the Participant is subject to exchange control regulations in the People's Republic of China ("China"), including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Corporation in its sole discretion:*

### Exchange Control Restrictions.

(i) **SAFE Approval.** Notwithstanding anything to the contrary in the Schedule of Terms or the Award Agreement, the Participant will not be permitted to vest in any shares of Common Stock unless and until the necessary approvals for the LTIP have been obtained from SAFE and remain in place, as determined by the Corporation in its sole discretion. Further, the Corporation is under no obligation to issue shares of Common Stock if the Corporation has not or does not obtain SAFE approval or if any such SAFE approval subsequently becomes invalid or ceases to be in effect by the time the Participant vests in the RSUs.

(ii) **Mandatory Sale Upon Termination of Employment.** Notwithstanding anything to the contrary in this Schedule of Terms or the Award Agreement, where a Participant's employment or service with the Service Recipient is terminated for whatever reason, the Corporation's broker will sell all the shares of Common Stock held by the Participant as a result of vesting of RSUs as soon as administratively practicable (and in all cases within 6 months following the Termination Date). The proceeds from such sale, less any applicable withholdings, will be delivered to the Participant (or the Participant's estate) as soon as administratively practicable.

(iii) **Broker Account.** Any shares of Common Stock issued to the Participant upon vesting of the RSUs must be maintained in an account with UBS or such other broker as may be designated by the Corporation until the shares of Common Stock are sold through that broker.

(iv) **Repatriation.** The Participant understands and agrees that, due to local exchange control requirements, he or she is required to repatriate to the China all proceeds he or she receives from participation in the LTIP, including any cash dividends and the cash proceeds from the sale of the shares of Common Stock acquired upon the vesting of the RSUs. The Participant further understands that, under Chinese law, such repatriation of his or her cash proceeds will be effected through a special exchange control account established by the Corporation, the Service Recipient or another Subsidiary or Affiliate of the Corporation in China, and the Participant hereby consents and agrees that any proceeds he or she may receive as a result of participation in the LTIP will be transferred to such special account prior to being delivered to him or her. Unless the Corporation in its sole discretion decides otherwise, the proceeds will be paid to the Participant in local currency. The Corporation is under no obligation to secure any particular exchange conversion rate and the Corporation may face delays in converting the proceeds into local currency due to exchange control restrictions in China. The Participant agrees that neither the Corporation nor any Subsidiary or Affiliate can be held liable for any delay in delivering the proceeds to the Participant. The Participant agrees to bear any currency fluctuation risk between the time the shares of Common Stock are sold and the time the sale proceeds are distributed through any such special exchange account.

(v) **Other.** The Participant further agrees to comply with any other requirements that may be imposed by the Corporation in the future in order to facilitate compliance with exchange control

requirements in China and to sign any agreements, forms and/or consents that may be reasonably requested by the Corporation (or the Corporation's designated broker) to effect any of the remittances, transfers, conversions or other processes affecting the proceeds.

#### **CROATIA**

There are no country-specific provisions.

#### **CZECH REPUBLIC**

There are no country-specific provisions.

#### **DENMARK**

There are no country-specific provisions.

#### **FRANCE**

Language Consent. By accepting the Award, the Participant confirms having read and understood the LTIP, this Schedule of Terms, and the Award Agreement, which were provided in the English language. The Participant accepts the terms of those documents accordingly.

*Consentement Relatif à la Langue Utilisée. En acceptant l'Attribution, le Participant confirme avoir lu et compris le Plan (« LTIP »), les présents Termes et Conditions et le Contrat d'Attribution qui ont été transmis en langue anglaise. Le Participant accepte les dispositions de ces documents en connaissance de cause.*

#### **French-Qualified RSUs.**

*The following provisions apply only if the Participant is eligible to be granted French-Qualified RSUs under the French Sub-Plan (defined below). If the Participant is ineligible to be granted French-Qualified RSUs under the French Sub-Plan, the RSUs will not qualify for the special French tax and social security treatment under Sections L. 225-197-1 to L. 225-197-6 and Sections L. 22-10-59 to L. 22-10-60 of the French Commercial Code, as amended.*

**Type of Grant.** The RSUs are granted as French-Qualified RSUs and are intended to qualify for the special tax and social security treatment applicable to shares of Common Stock granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 and Sections L. 22-10-59 to L. 22-10-60 of the French Commercial Code, as amended. The French-Qualified RSUs are granted subject to the terms and conditions of the French Sub-Plan for Restricted Stock Units (the "French Sub-Plan").

Certain events may affect the status of the RSUs as French-Qualified RSUs or the underlying shares of Common Stock, and the French-Qualified RSUs or the underlying shares of Common Stock may be disqualified in the future. The Corporation does not make any undertaking or representation to maintain the qualified status of the French-Qualified RSUs or of the underlying shares of Common Stock.

Capitalized terms not defined herein, in this Schedule of Terms or in the LTIP shall have the meanings ascribed to them in the French Sub-Plan.

**Restrictions on Sale or Transfer of Shares.**

- (a) Minimum Mandatory Holding Period. The Participant may not sell or transfer any shares of Common Stock issued at vesting until the second anniversary of the Grant Date, or such other period as is required to comply with the minimum mandatory holding period applicable to shares underlying French-Qualified RSUs under Section L. 225-197-1 of the French Commercial Code, as amended, or by the French Tax Code or the French Social Security Code, as amended, to benefit from the special tax and social security regime in France.
- (b) Closed Periods. The Participant may not sell any shares of Common Stock issued upon vesting of the French-Qualified RSUs during certain Closed Periods, to the extent applicable to the shares underlying the French-Qualified RSUs granted by the Corporation, as described in the French Sub-Plan. Notwithstanding anything to the contrary contained in the French Sub-Plan, with regard to French-Qualified RSUs, the term “Closed Period” shall mean such period as set forth in Section L. 225-197-1 of the French Commercial Code, as amended:
- (i) thirty (30) calendar days before the announcement of an intermediate financial report or end-of-year report that the issuer is required to make public; and
  - (ii) any period during which the Chief Executive Officer (*directeur général*), any Deputy Chief Executive Officer (*directeur général délégué*), members of the Board of Directors (*council d'administration*), the Supervisory Board (*council de surveillance*), or the Executive Board (*directoire*) of the Corporation, or any employee possesses knowledge of inside information within the meaning of Article 7 of the Regulation (EU) No 596/2014 of the Market Abuse Regulation, which has not been made public.
- (c) Effect of Termination of Service. Except in the case of Participant's Termination of Service due to death or Disability, the restrictions described in provisions (a) and (b) above will continue to apply even if the Participant is no longer an employee or managing corporate officer of the Corporation or a French Entity.

**Holding Periods for Managing Corporate Officers.** If on the Grant Date the French Participant qualifies as a managing corporate officer under French law (“*mandataires sociaux*”) or any similar official capacity of the Corporation, Service Recipient or a Subsidiary or Affiliate, the French Participant may not sell 20% of the shares of Common Stock acquired upon vesting of the French-Qualified RSUs until the termination of such official capacity, as long as this restriction is applicable to French-Qualified RSUs.

**No Transfer of French-Qualified RSUs.** French-Qualified RSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner during a French Participant's lifetime and upon death only in accordance with Section 9 of the French Sub-Plan, and only to the extent required by applicable laws (including the provisions of Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended).

**Termination of Service Due to Disability.** In the event of Participant's Termination of Service due to Disability, as defined in the French Sub-Plan, prior to the first anniversary of the Grant Date, the RSUs shall remain outstanding and continue to vest in accordance with the French Sub-Plan.

**Termination of Service Due to Death.** In the event of Participant's Termination of Service due to death prior to the satisfaction of the vesting conditions set forth in the vesting schedule, any French-Qualified RSUs that have not vested as of such date may be requested by Participant's legal heirs within six months of the date of death and, if so requested, the shares of Common Stock subject to the French-Qualified RSUs will be issued to Participant's legal heirs.

#### **GERMANY**

There are no country-specific provisions.

#### **HONG KONG**

**Form of Settlement.** RSUs granted to individuals resident in Hong Kong shall be paid in shares of Common Stock only. In no event shall any RSUs be paid in cash, notwithstanding any discretion contained in the LTIP and/or this Schedule of Terms to the contrary.

**Issuance of Shares and Sale of Shares.** This provision supplements the "Vesting" section of this Schedule of Terms:

Any shares of Common Stock issued in settlement of the Award are accepted as a personal investment. In the event shares of Common Stock subject to the Award are issued to the Participant within six months of the Grant Date, the Participant agrees that the Participant will not offer the shares of Common Stock to the public in Hong Kong or otherwise dispose of any such shares prior to the six-month anniversary of the Grant Date.

**Securities Law Information.** *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant should exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this Schedule of Terms, the Award Agreement, the LTIP or any other incidental communication materials, the Participant should obtain independent professional advice. The Award and any shares of Common Stock issued upon settlement do not constitute a public offering of securities under Hong Kong law and are available only to service providers of the Corporation and its Subsidiaries and Affiliates. This Schedule of Terms, the Award Agreement, the LTIP and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. The Awards and any related documents are intended only for the personal use of each eligible service provider of the Service Recipient, the Corporation or any other Subsidiary or Affiliate and may not be distributed to any other person.*

#### **INDIA**

There are no country-specific provisions.

## **INDONESIA**

**Language Consent.** By accepting the RSU Award, the Participant (i) confirms having read and understood these documents provided in the English language, (ii) accepts the terms of these documents accordingly, and (iii) agrees not to challenge the validity of these documents based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

***Peretujuan dan Pemberitahuan Bahasa. Dengan menerima RSU Penghargaan ini, (i) anda mengkonfirmasi bahwa anda telah membaca dan mengerti isi dokumen yang terkait dengan pemberian Penghargaan ini (yaitu Rencana dan Perjanjian Opsi Saham) yang disediakan untuk anda dalam bahasa Inggris, (ii) anda menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) anda setuju bahwa anda tidak akan mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan atau peraturan pelaksana dari Peraturan Presiden (ketika diterbitkan nantinya).***

## **ITALY**

**LTIP Document Acknowledgment.** By participating in the LTIP, the Participant acknowledges that the Participant has received a copy of the LTIP, this Schedule of Terms, and the Award Agreement and has reviewed the LTIP, this Schedule of Terms, and the Award Agreement in their entirety and fully understands and accepts all provisions of the LTIP, this Schedule of Terms, and the Award Agreement. The Participant further acknowledges that the Participant has read and specifically and expressly approves the sections of this Schedule of Terms addressing (i) Responsibility for Taxes, (ii) Non-assignability, (iii) Nature of Award, (iv) Data Privacy, (v) Compliance With Law, (vi) Imposition of Other Requirements, and (vii) Governing Law and Venue.

## **JAPAN**

There are no country-specific provisions.

## **KOREA**

There are no country-specific provisions.

## **LUXEMBOURG**

There are no country-specific provisions.

## **MALAYSIA**

**Settlement in Cash / Payment / Conversion of RSUs.** Notwithstanding anything to the contrary in the “Payment / Conversion of RSUs” section of this Schedule of Terms, the Participant is not entitled to receive any shares of Common Stock upon vesting of the RSU Award. Instead, the Participant will receive a cash payment equal to the Fair Market Value of the shares of Common Stock that would otherwise be due to the Participant in connection with the vesting of the RSUs subject to any obligation to satisfy Tax-Related Items. Any references in this Schedule of Terms

to the issuance of shares of Common Stock shall be interpreted to mean the payment of a cash equivalent of such shares.

Data Privacy. The following provision replaces the “Data Privacy” section in this Schedule of Terms:

***The Participant hereby explicitly, voluntarily and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant’s personal data as described in this Schedule of Terms and any other RSU grant materials by and among, as applicable, the Corporation and the Service Recipient for the purpose of implementing, administering and managing the LTIP.***

***The Participant may have previously provided the Corporation and the Service Recipient, and the same may hold, certain personal information about the Participant, including, but not limited to, name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Corporation, the fact and condition of Participant’s participation in the LTIP, details of all awards or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant’s favor (“Data”), for the purpose of implementing, administering and managing the LTIP.***

***The Participant also authorizes any transfer of Data to UBS, or such other stock plan service provider as may be selected by the Corporation in the future, which is assisting the Corporation with the implementation, administration and management of the LTIP. The Participant acknowledges that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than the Participant’s country, which may not provide the same level of protection to Data. The Participant understands that if the Participant resides outside the United States, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant’s local human resources representative. The Participant authorizes the Corporation, UBS and any other possible recipients which may assist the Corporation (presently or in the future) with the implementation, administration and management of the LTIP, and any other possible recipients which may assist the Corporation (presently or in the future) with implementing, administering and managing the LTIP to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the LTIP. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the LTIP. The Participant understands that if the Participant resides outside the United States, the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Stock Plan Administrator in writing at [otistotalrewards@otis.com](mailto:otistotalrewards@otis.com). Further, the Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant’s consent, the Participant’s employment status or service and career with the Service Recipient will not be affected; the only consequence of refusing or withdrawing the Participant’s consent is that the Corporation would not be able to grant the***

*Participant RSUs or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the LTIP. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.*

**Bahasa Malaysia Translation**

*Peserta dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi Peserta seperti yang dinyatakan dalam Jadual Terma dan sebarang bahan geran Unit Saham Terbatas ("RSU") yang lain oleh dan di antara, sebagaimana yang berkenaan, Perbadanan dan Penerima Perkhidmatan untuk tujuan pelaksanaan, pentadbiran dan pengurusan LTIP tersebut. Sebelum ini, Peserta mungkin telah membekalkan Perbadanan dan Penerima Perkhidmatan, dan mereka mungkin memegang, maklumat peribadi tertentu tentang Peserta, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah dan nombor telefon, alamat emel, tarikh lahir, insurans sosial, nombor pasport atau pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Perbadanan, fakta dan syarat penyertaan Peserta dalam LTIP, butir-butir semua anugerah atau apa-apa hak lain untuk syer dalam Saham Biasa yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah Peserta ("Data"), untuk tujuan melaksanakan, mentadbir dan menguruskan LTIP tersebut.*

*Peserta juga memberi kuasa untuk membuat apa-apa pemindahan Data kepada UBS, atau pembekal perkhidmatan pelan saham lain yang dipilih oleh Perbadanan pada masa depan, yang membantu Perbadanan dalam pelaksanaan, pentadbiran dan pengurusan LTIP. Peserta mengakui bahawa penerima-penerima Data ini mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara penerima-penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Peserta, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Peserta fahami bahawa sekiranya Peserta menetap di luar Amerika Syarikat, Peserta boleh meminta senarai nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan Peserta. Peserta memberi kuasa kepada Perbadanan, UBS dan mana-mana penerima lain yang mungkin akan membantu Perbadanan (pada masa kini atau masa depan) dengan pelaksanaan, pentadbiran dan pengurusan LTIP, dan mana-mana penerima lain yang mungkin membantu Perbadanan (pada masa kini atau masa depan) dengan pelaksanaan, pentadbiran dan pengurusan LTIP untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, dengan tujuan untuk melaksanakan, mentadbir dan menguruskan LTIP tersebut. Peserta fahami bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan LTIP tersebut. Peserta fahami bahawa sekiranya Peserta menetap di luar Amerika Syarikat, Peserta boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta pindaan-pindaan yang diperlukan ke atas Data atau menolak atau menarik balik*

***persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi Pentadbir Pelan Saham secara bertulis di [otistotalrewards@otis.com](mailto:otistotalrewards@otis.com). Selanjutnya, Peserta memahami bahawa Peserta memberikan persetujuan di sini secara sukarela. Jika Peserta tidak bersetuju, atau jika Peserta kemudian berusaha untuk membatalkan persetujuan Peserta, status penggajian Peserta atau perkhidmatan dan kerjayanya dengan Penerima Perkhidmatan tidak akan terjejas; satu-satunya akibat jika menolak atau menarik balik persetujuan Peserta adalah bahawa Perbadanan tidak akan dapat memberikan RSUs atau anugerah ekuiti lain kepada Peserta atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Peserta fahami bahawa keengganan atau penarikan balik persetujuan Peserta boleh menjejaskan kemampuan Peserta untuk mengambil bahagian dalam LTIP tersebut. Untuk maklumat lanjut mengenai akibat keengganan Peserta untuk memberikan keizinan atau penarikan balik keizinan, Peserta fahami bahawa Peserta boleh menghubungi wakil sumber manusia tempatan Peserta.***

## **MEXICO**

**LTIP Document Acknowledgment.** By accepting the RSUs, the Participant acknowledges that the Participant has received a copy of the LTIP and the Schedule of Terms, which the Participant has reviewed. The Participant acknowledges further that the Participant accepts all the provisions of the LTIP and the Schedule of Terms. The Participant also acknowledges that he or she has read and specifically and expressly approves the terms and conditions set forth in the "Nature of Award" section in the Schedule of Terms, which clearly provides as follows:

- (1) The Participant's participation in the LTIP does not constitute an acquired right;
- (2) The LTIP and the Participant's participation in the LTIP are offered by the Corporation on a wholly discretionary basis;
- (3) The Participant's participation in the LTIP is voluntary; and
- (4) The Corporation and its Subsidiaries and Affiliates are not responsible for any decrease in the value of any shares of Common Stock acquired at vesting and settlement of the RSUs.

**Labor Law Policy and Acknowledgment.** By accepting the RSUs, the Participant expressly recognizes that the Corporation, with registered offices at One Carrier Place, Farmington, CT 06032, U.S.A, is solely responsible for the administration of the LTIP, and that the Participant's participation in the LTIP and acquisition of shares of Common Stock do not constitute an employment relationship between the Participant and the Corporation since the Participant is participating in the LTIP on a wholly commercial basis and the employer in Mexico ("Otis Mexico") is the Participant's sole employer. Based on the foregoing, the Participant expressly recognizes that the LTIP and the benefits that the Participant may derive from participating in the LTIP do not establish any rights between the Participant and the employer, Otis Mexico, and do not form part of the employment conditions and/or benefits provided by Otis Mexico, and any modification of the LTIP or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that his or her participation in the LTIP is as a result of a unilateral and discretionary decision of the Corporation; therefore, the Corporation reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that the Participant does not reserve to him- or herself any action or right to bring any claim against the Corporation for any compensation or damages regarding any provision of the LTIP or the benefits derived under the LTIP, and the Participant therefore grants a full and broad release to the Corporation, the Service Recipient, Subsidiaries, Affiliates, divisions, branches, representative offices, shareholders, directors, officers, employees, agents, or legal representatives with respect to any claim that may arise.

**Spanish Translation**

***Reconocimiento del Documento del Plan. Al aceptar las Unidades, el Participante reconoce que ha recibido una copia del Plan y del Acuerdo de Acciones Restringidas, que el Participante ha revisado. El Participante reconoce, además, que acepta todas las disposiciones del Plan y del Acuerdo de Acciones Restringidas. El Participante también reconoce que ha leído y que concretamente aprueba de forma expresa los términos y condiciones establecidos en la Sección "Naturaleza de la Subvención" del Acuerdo de Acciones Restringidas, que claramente dispone lo siguiente:***

- (1) La participación del Participante en el Plan no constituye un derecho adquirido;***
- (2) El Plan y la participación del Participante en el Plan se ofrecen por la Sociedad en su entera discrecionalidad;***
- (3) La participación del Participante en el Plan es voluntaria; y***
- (4) La Sociedad y sus Subsidiarias y Afiliadas no son responsables de ninguna reducción en el valor de las Acciones Comunes adquiridas al conferir las Unidades de Acciones Restringidas.***

***Política Laboral y Reconocimiento. Al aceptar las Unidades de Acciones Restringidas, el Participante expresamente reconoce que la Sociedad, con sus oficinas registradas y ubicadas en One Carrier Place, Farmington, CT 06032, U.S.A., es la única responsable por la administración del Plan y que la participación del Participante en el Plan y la adquisición de Acciones Comunes no constituyen una relación de trabajo entre el Participante y la Sociedad, ya que el Participante participa en el Plan en un marco totalmente comercial y el patrón en México ("Otis Mexico") es su único patrón. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el patrón, Otis Mexico, y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Otis Mexico, y que cualquier modificación al Plan o su terminación no constituye un cambio o impedimento de los términos y condiciones de la relación de trabajo del Participante.***

***Asimismo, el Participante reconoce que su participación en el Plan es resultado de una decisión unilateral y discrecional de la Sociedad; por lo tanto, la Sociedad se reserva el derecho absoluto de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna al Participante.***

***Finalmente, el Participante por este medio declara que no se reserva ninguna derecho o acción en contra de la Sociedad por cualquier compensación o daños y perjuicios en relación de las disposiciones del Plan o de los beneficios derivados del Plan, y por lo tanto, el Participante otorga una liberación completa y amplia a la Sociedad, Afiliadas,***

***Subsidiarias, sucursales, oficinas de representación, accionistas, directores, autoridades, empleados, agentes, o representantes legales en relación a cualquier demanda o controversia que pudiera surgir.***

**Securities Law Information.** The RSUs granted, and any shares of Common Stock acquired, under the LTIP have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the LTIP, the Schedule of Terms and any other document relating to the RSUs granted under the LTIP may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Corporation and any Subsidiary or Affiliate, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of Otis Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

#### **MOROCCO**

**Settlement in Cash / Payment / Conversion of RSUs.** Notwithstanding anything to the contrary in the "Payment / Conversion of RSUs" section of this Schedule of Terms, the Participant is not entitled to receive any shares of Common Stock upon vesting of the Award. Instead, the Participant will receive a cash payment equal to the Fair Market Value of the shares of Common Stock that would otherwise be due to the Participant in connection with the vesting of the RSUs subject to any obligation to satisfy Tax-Related Items. Any references in this Schedule of Terms to the issuance of shares of Common Stock shall be interpreted to mean the payment of a cash equivalent of such shares.

#### **NETHERLANDS**

There are no country-specific provisions.

#### **POLAND**

There are no country-specific provisions.

#### **PORTUGAL**

**Language Consent.** The Participant hereby expressly declares that the Participant has full knowledge of the English language and has read, understood and freely accepted and agreed with the terms and conditions established in the LTIP and this Schedule of Terms.

***Conhecimento da Língua. Pela presente, o Participante declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo (Schedule of Terms em inglês).***

#### **SAUDI ARABIA**

**Securities Law Information.** This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules of the Offers of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If the Participant does not understand the contents of this document, the Participant should consult an authorized financial adviser.

### **SINGAPORE**

**Restriction on Sale of Shares.** To the extent the Award vests within six months of the Grant Date, the Participant may not dispose of the shares of Common Stock issued upon settlement of the RSUs, or otherwise offer the shares of Common Stock to the public, prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”) or pursuant to, and in accordance with the conditions of any other applicable provision of the SFA.

**Securities Law Information.** The Award is being made to the Participant in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the SFA is exempt from the prospectus and registration requirements under the SFA and is not made to the Participant with a view to the Award or underlying shares of Common Stock being subsequently offered for sale to any other party. The LTIP has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore.

### **SPAIN**

**Nature of Award.** This provision supplements the “Nature of Award” section of this Schedule of Terms:

By accepting the Award, the Participant consents to participation in the LTIP and acknowledges that the Participant has received a copy of the LTIP.

The Participant understands that the Corporation has unilaterally, gratuitously and in its sole discretion decided to grant an Award under the LTIP to individuals who may be contractors, directors, or employees of the Service Recipient, the Corporation, or one of its other Subsidiaries or Affiliates throughout the world. The decision is limited and entered into based upon the express assumption and condition that (i) any Award will not economically or otherwise bind the Corporation or any Subsidiary or Affiliate, including the Service Recipient, on an ongoing basis, other than as expressly set forth in this Schedule of Terms, and (ii) the RSUs and any shares of Common Stock shall not become part of any employment or other service contract (whether with the Corporation or any Subsidiary or Affiliate, including the Service Recipient) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the Award, which is gratuitous and discretionary, since the future value of the Award, and the underlying shares of Common Stock, is unknown and unpredictable.

Further, the Participant’s participation in the LTIP is expressly conditioned on the Participant’s continued and active rendering of service, such that, except as provided in the “Termination of Service” section of this Schedule of Terms, if the Participant’s employment or service terminates

for any reason, the Participant's participation in the LTIP will cease immediately. This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant's employment or service ceases due to a change of work location, duties or any other employment or contractual condition; or (4) the Participant's employment or service ceases due to a unilateral breach of contract by the Corporation or any of its Subsidiaries and Affiliates. Consequently, upon Termination of Service for any of the above reasons, the Participant automatically lose any right to participate in the LTIP on the date of the Participant's Termination of Service, as described in the LTIP, this Schedule of Terms, and the Award Agreement.

Furthermore, the Participant hereby agrees that by accepting the Award, the Participant authorizes the Corporation and/or the Service Recipient, or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following: (i) deducting directly from any payment due to the Participant or from any obligation of the Corporation and/or the Service Recipient to the Participant (including but not limited to, withholding from the Participant's regular compensation); (ii) requiring the Participant (or the Participant's estate or beneficiaries, as applicable) to pay the Corporation an amount sufficient to satisfy compliance with the Tax-Related Items; (iii) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Corporation (on the Participant's behalf pursuant to this authorization and without further consent); (iv) withholding in shares of Common Stock to be issued upon settlement of the RSUs; (v) withholding from dividend equivalents paid on the RSUs; or (vi) any other method of withholding determined by the Corporation and to the extent required by applicable law or the LTIP, approved by the Committee.

Securities Law Information. The Award and shares of Common Stock described in this Schedule of Terms do not qualify under Spanish regulations as securities. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory. The LTIP, this Schedule of Terms, and the Award Agreement have not been nor will they be registered with the *Comisión Nacional del Mercado de Valores*, and do not constitute a public offering prospectus.

#### **SWEDEN**

Authorization to Withhold. This provision supplements the "Responsibility for Taxes" section of this Schedule of Terms:

Without limiting the Corporation's and the Service Recipient's authority to satisfy their withholding obligations for Tax-Related Items as set forth in this Schedule of Terms, by accepting the Award, the Participant authorizes the Corporation and/or the Service Recipient to withhold shares of Common Stock or to sell shares of Common Stock otherwise deliverable to the Participant upon vesting/settlement to satisfy Tax-Related Items, regardless of whether the Corporation and/or the Service Recipient have an obligation to withhold such Tax-Related Items.

## **SWITZERLAND**

**Securities Law Information.** Because the offer of the Award is considered a private offering in Switzerland, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Award (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Corporation or Service Recipient or (iii) have been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

## **TAIWAN**

**Securities Law Information.** The offer of participation in the LTIP is available only for employees of the Corporation or Service Recipient. The offer of participation in the LTIP is not a public offer of securities by a Taiwanese company.

## **THAILAND**

There are no country-specific provisions.

## **TURKEY**

**Securities Law Information.** Shares of Common Stock acquired under the LTIP cannot be sold in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol “OTIS” and the shares may be sold through this exchange.

**Financial Intermediary Obligation.** Turkish residents are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through a financial intermediary licensed in Turkey. Therefore, in order to sell shares of Common Stock acquired under the LTIP, individuals may be required to appoint a Turkish broker to assist with the sale.

## **UNITED ARAB EMIRATES**

**Securities Law Information.** Participation in the LTIP is being offered only to eligible service providers of the Corporation and any Subsidiary or Affiliate and is in the nature of providing equity incentives to employees in the United Arab Emirates. The LTIP, this Schedule of Terms, and the Award Agreement are intended for distribution only to such service providers and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Participant does not understand the contents of the LTIP, this Schedule of Terms, or the Award Agreement, the Participant should consult an authorized financial adviser. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the LTIP. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the LTIP, this Schedule of Terms, or the Award Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

## **UNITED KINGDOM**

**Responsibility for Taxes.** This provision supplements the “Responsibility for Taxes” section of this Schedule of Terms:

Without limitation to the “Responsibility for Taxes” section of this Schedule of Terms, the Participant agrees that the Participant is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Corporation or the Service Recipient or by HM Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Corporation and the Service Recipient against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant’s behalf.

Notwithstanding the foregoing, if the Participant is a director or an executive officer of the Corporation (within the meaning of such terms for purposes of Section 13(k) of the Exchange Act), and the income tax is not collected from or paid by the Participant, the amount of uncollected income tax may constitute an additional benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Corporation or the Service Recipient (as appropriate) for the value of any National Insurance Contributions due on this additional benefit, which the Corporation or the Service Recipient may collect by any of the means referred to in the LTIP or this Schedule of Terms.

**Section 431 Election.** The Participant agrees that the Participant is required to enter into a joint election with the Service Recipient pursuant to section 431 of Income Tax (Earnings and Pensions) Act 2003 (or such other election as the Corporation may direct for the same purpose) electing that the fair market value of the shares of Common Stock to be acquired upon the vesting of the RSUs be calculated as if they were not “restricted securities.” The issuance of shares of Common Stock pursuant to the RSU Award is conditioned upon the Participant’s entering into the form of section 431 election attached immediately below.

## **VIETNAM**

There are no country-specific provisions.

**NOTICE TO UK PARTICIPANTS  
REGARDING THE TAX IMPACT OF ACCEPTING THE 431 ELECTION**

Because there is a risk that HM Revenue & Customs (“HMRC”) may consider the shares you acquire at settlement of your Restricted Stock Units (“RSUs”), Performance Share Units (“PSUs”) and/or exercise of your Stock Appreciation Rights (“SARs”) to be “restricted” securities, you are required to enter into a joint election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 (“431 Election”). This will ensure that you will be subject to tax on the full unrestricted market value of shares at settlement or exercise thereby avoiding any subsequent taxable event (other than upon sale of shares acquired at settlement or exercise, as applicable).

**Clicking on the “ACCEPT” box indicates your acceptance of Part A of the two part “Joint Election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 for disapplication of Chapter 2 of the Income Tax (Earnings and Pensions) Act 2003”. Your employer will sign and maintain Part B on file. You should read this Notice in its entirety before accepting the 431 Election.**

**Tax Impact of Accepting the 431 Election**

By entering into the Election:

- you agree that you will be subject to income tax and National Insurance contributions on the full unrestricted market value of shares at settlement of your RSUs, PSUs and/or exercise of your SARs notwithstanding Otis Worldwide Corporation (“Corporation”)’s discretion to require you to give back shares or cash paid in connection with your awards in the event you engage in activity harmful to the Corporation as described in the “Forfeiture of Award and Repayment of Realized Gains” section of the Schedule of Terms; and
- you acknowledge that even if you have clicked on the “ACCEPT” box where indicated, the Corporation or your employer may still require you to sign a paper copy of this 431 Election (or a substantially similar form) if the Corporation determines necessary to give effect to the 431 Election.

Please read the 431 Election carefully before accepting the 431 Election.

Please print and keep a copy of the 431 Election for your records.

**Otis Worldwide Corporation**

**Joint Election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 for full disapplication of Chapter 2 of the Income Tax (Earnings and Pensions) Act 2003**

**Two Part Election**

**Part A - To be completed by the Employee**

**1. Between**

The Employee who has obtained authorized access to the joint election

and

The Company (who is the Employee's employer) identified in the attached Schedule

of the Company Registration Number provided in the attached Schedule

**2. Purpose of Election**

This joint election is made pursuant to section 431(1) Income Tax (Earnings and Pensions) Act 2003 (ITEPA) and applies where employment-related securities, which are restricted securities by reason of section 423 ITEPA, are acquired.

The effect of an election under section 431(1) is that, for the relevant Income Tax and NIC purposes, the employment-related securities and their market value will be treated as if they were not restricted securities and that sections 425 to 430 ITEPA do not apply. Additional Income Tax will be payable (with PAYE and NIC where the securities are Readily Convertible Assets).

**Should the value of the securities fall following the acquisition, it is possible that Income Tax/NIC that would have arisen because of any future chargeable event (in the absence of an election) would have been less than the Income Tax/NIC due by reason of this election. Should this be the case, there is no Income Tax/NIC relief available under Part 7 of ITEPA 2003; nor is it available if the securities acquired are subsequently transferred, forfeited or revert to the original owner.**

**3. Application**

This joint election is made not later than 14 days after the date of acquisition of the securities by the Employee and applies to:

Number of securities	All securities
Description of securities	Shares of common stock of Otis Worldwide Corporation
Name of issuer of securities	Otis Worldwide Corporation, a Delaware corporation

acquired by the Employee on or after the date of this joint election under the terms of the Otis Worldwide Corporation 2020 Long-Term Incentive Plan.

**4. Extent of Application**

This election under section 431(1) ITEPA disapplies all restrictions attaching to the securities.

**5. Declaration**

This election will become irrevocable upon the later of the date it is signed or accepted electronically or the acquisition and each subsequent acquisition of employment-related securities to which this election applies.

In signing or electronically accepting this joint election, I agree to be bound by its terms as stated above.

.....      ..../.....  
Signature (Employee)      Date

*Note: Where the election is in respect of multiple acquisitions, prior to the date of any subsequent acquisition of a security it may be revoked by agreement between the Employee and the Service Recipient in respect of that and any later acquisition.*

**SCHEDULE TO FORM OF ELECTION – EMPLOYING COMPANY**

The employing companies to which this joint election relates are:

**Employing Company**

Otis Ltd.

**Company Registration Number**

147366

April 24, 2025

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We are aware that our report dated April 24, 2025 on our review of interim financial information of Otis Worldwide Corporation, which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (Nos. 333-270830 and 333-270834) and Form S-8 (No. 333-237551) of Otis Worldwide Corporation.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut

## CERTIFICATION

I, Judith F. Marks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Otis Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2025

/s/ JUDITH F. MARKS

Judith F. Marks

Chair, President and Chief Executive Officer

## CERTIFICATION

I, Cristina Méndez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Otis Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2025

/s/ CRISTINA MÉNDEZ

Cristina Méndez

Executive Vice President and Chief Financial Officer

## CERTIFICATION

I, Michael P. Ryan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Otis Worldwide Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2025

/s/ MICHAEL P. RYAN

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Michael P. Ryan

Senior Vice President and Chief Accounting Officer

**Section 1350 Certification**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**  
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Otis Worldwide Corporation, a Delaware corporation (the "Corporation"), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the "Form 10-Q") of the Corporation fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: April 24, 2025

/s/ JUDITH F. MARKS

Judith F. Marks

Chair, President and Chief Executive Officer

Date: April 24, 2025

/s/ CRISTINA MÉNDEZ

Cristina Méndez

Executive Vice President and Chief Financial Officer

Date: April 24, 2025

/s/ MICHAEL P. RYAN

Michael P. Ryan

Senior Vice President and Chief Accounting Officer