

**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 September 30, 2023

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 001-00812

RTX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

06-0570975
(I.R.S. Employer Identification No.)

1000 Wilson Boulevard, Arlington, Virginia
(Address of principal executive offices)

22209
(Zip Code)

(781) 522-3000

(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 (\$1 par value) (CUSIP 75513E 101)	RTX	New York Stock Exchange
2.150% Notes due 2030 (CUSIP 75513E AB7)	RTX 30	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 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 the Exchange Act.

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"/>

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 .

At September 30, 2023 there were 1,437,901,284 shares of Common Stock outstanding.

**RTX CORPORATION
AND SUBSIDIARIES**
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Quarter Ended September 30, 2023

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RTX Corporation and its subsidiaries’ names, abbreviations thereof, logos, and products and services designators are all either the registered or unregistered trademarks or tradenames of RTX Corporation and its subsidiaries. Names, abbreviations of names, logos, and products and services designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. References to internet web sites in this Form 10-Q are provided for convenience only. Information available through these web sites is not incorporated by reference into this Form 10-Q.

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

**RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)**

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net Sales:				
Products sales	\$ 8,615	\$ 12,756	\$ 34,813	\$ 36,876
Services sales	4,849	4,195	14,180	12,105
Total net sales	13,464	16,951	48,993	48,981
Costs and Expenses:				
Cost of sales - products	9,289	10,493	31,078	30,353
Cost of sales - services	3,461	2,971	9,835	8,527
Research and development	712	662	2,048	1,995
Selling, general and administrative	1,401	1,351	4,364	4,184
Total costs and expenses	14,863	15,477	47,325	45,059
Other income, net	3	46	116	91
Operating profit (loss)	(1,396)	1,520	1,784	4,013
Non-operating expense (income), net:				
Non-service pension income	(443)	(468)	(1,334)	(1,422)
Interest expense, net	369	311	1,017	958
Total non-operating expense (income), net	(74)	(157)	(317)	(464)
Income (loss) from continuing operations before income taxes	(1,322)	1,677	2,101	4,477
Income tax expense (benefit)	(389)	282	194	618
Net income (loss) from continuing operations	(933)	1,395	1,907	3,859
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	51	8	138	65
Net income (loss) from continuing operations attributable to common shareowners	(984)	1,387	1,769	3,794
Loss from discontinued operations attributable to common shareowners	—	—	—	(19)
Net income (loss) attributable to common shareowners	\$ (984)	\$ 1,387	\$ 1,769	\$ 3,775
Earnings (loss) Per Share attributable to common shareowners - Basic:				
Income (loss) from continuing operations	\$ (0.68)	\$ 0.94	\$ 1.22	\$ 2.57
Loss from discontinued operations	—	—	—	(0.02)
Net income (loss) attributable to common shareowners	\$ (0.68)	\$ 0.94	\$ 1.22	\$ 2.55
Earnings (loss) Per Share attributable to common shareowners - Diluted:				
Income (loss) from continuing operations	\$ (0.68)	\$ 0.94	\$ 1.21	\$ 2.55
Loss from discontinued operations	—	—	—	(0.01)
Net income (loss) attributable to common shareowners	\$ (0.68)	\$ 0.94	\$ 1.21	\$ 2.54

See accompanying Notes to Condensed Consolidated Financial Statements

**RTX CORPORATION
AND SUBSIDIARIES**
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) from continuing and discontinued operations	\$ (933)	\$ 1,395	\$ 1,907	\$ 3,840
Other comprehensive income (loss), before tax:				
Foreign currency translation adjustments	(441)	(1,050)	85	(1,998)
Pension and postretirement benefit plans adjustments	(104)	48	(433)	116
Change in unrealized cash flow hedging	(123)	(251)	174	(396)
Other comprehensive income (loss), before tax	(668)	(1,253)	(174)	(2,278)
Income tax benefit related to items of other comprehensive income (loss)	54	62	76	71
Other comprehensive income (loss), net of tax	(614)	(1,191)	(98)	(2,207)
Comprehensive income (loss)	(1,547)	204	1,809	1,633
Less: Comprehensive income attributable to noncontrolling interest	51	8	138	65
Comprehensive income (loss) attributable to common shareowners	\$ (1,598)	\$ 196	\$ 1,671	\$ 1,568

See accompanying Notes to Condensed Consolidated Financial Statements

**RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)**

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,456	\$ 6,220
Accounts receivable, net	10,058	9,108
Contract assets	12,696	11,534
Inventory, net	12,050	10,617
Other assets, current	6,258	4,964
Total current assets	46,518	42,443
Customer financing assets	2,452	2,603
Fixed assets	30,554	29,116
Accumulated depreciation	(15,207)	(13,946)
Fixed assets, net	15,347	15,170
Operating lease right-of-use assets	1,755	1,829
Goodwill	53,883	53,840
Intangible assets, net	35,865	36,823
Other assets	6,623	6,156
Total assets	\$ 162,443	\$ 158,864
Liabilities, Redeemable Noncontrolling Interest, and Equity		
Current Liabilities		
Short-term borrowings	\$ 1,170	\$ 625
Accounts payable	10,315	9,896
Accrued employee compensation	2,597	2,401
Other accrued liabilities	14,283	10,999
Contract liabilities	15,248	14,598
Long-term debt currently due	1,389	595
Total current liabilities	45,002	39,114
Long-term debt	32,701	30,694
Operating lease liabilities, non-current	1,523	1,586
Future pension and postretirement benefit obligations	4,457	4,807
Other long-term liabilities	7,514	8,449
Total liabilities	91,197	84,650
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interest	33	36
Shareowners' Equity:		
Common stock	38,388	37,939
Treasury stock	(18,170)	(15,530)
Retained earnings	51,513	52,269
Unearned ESOP shares	(19)	(28)
Accumulated other comprehensive loss	(2,116)	(2,018)
Total shareowners' equity	69,596	72,632
Noncontrolling interest	1,617	1,546
Total equity	71,213	74,178
Total liabilities, redeemable noncontrolling interest, and equity	\$ 162,443	\$ 158,864

See accompanying Notes to Condensed Consolidated Financial Statements

**RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)**

<i>(dollars in millions)</i>	Nine Months Ended September 30,	
	2023	2022
Operating Activities:		
Net income from continuing operations	\$ 1,907	\$ 3,859
Adjustments to reconcile net income from continuing operations to net cash flows provided by operating activities:		
Depreciation and amortization	3,152	3,060
Deferred income tax benefit	(728)	(1,681)
Stock compensation cost	319	318
Net periodic pension and other postretirement income	(1,164)	(1,062)
Change in:		
Accounts receivable	(913)	321
Contract assets	(1,163)	(999)
Inventory	(1,430)	(1,434)
Other current assets	(878)	(584)
Accounts payable and accrued liabilities	3,422	1,298
Contract liabilities	429	(284)
Other operating activities, net	219	(272)
Net cash flows provided by operating activities from continuing operations	3,172	2,540
Investing Activities:		
Capital expenditures	(1,610)	(1,433)
Investments in businesses	—	(66)
Dispositions of businesses, net of cash transferred	6	94
Customer financing assets receipts, net	41	25
Increase in other intangible assets	(536)	(318)
Payments from settlements of derivative contracts, net	(18)	(259)
Other investing activities, net	56	66
Net cash flows used in investing activities from continuing operations	(2,061)	(1,891)
Financing Activities:		
Issuance of long-term debt	2,974	—
Repayment of long-term debt	(175)	(2)
Change in commercial paper, net (Note 8)	473	2,067
Change in other short-term borrowings, net	68	(14)
Dividends paid on common stock	(2,472)	(2,337)
Repurchase of common stock	(2,587)	(2,395)
Other financing activities, net	(190)	(329)
Net cash flows used in financing activities from continuing operations	(1,909)	(3,010)
Effect of foreign exchange rate changes on cash and cash equivalents	4	(57)
Net decrease in cash, cash equivalents, and restricted cash	(794)	(2,418)
Cash, cash equivalents, and restricted cash, beginning of period	6,291	7,853
Cash, cash equivalents, and restricted cash, end of period	5,497	5,435
Less: Restricted cash, included in Other assets, current and Other assets	41	54
Cash and cash equivalents, end of period	\$ 5,456	\$ 5,381

See accompanying Notes to Condensed Consolidated Financial Statements

**RTX CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)**

<i>(dollars in millions, except per share amounts; shares in thousands)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Equity beginning balance	\$ 74,056	\$ 71,990	\$ 74,178	\$ 74,664
Common Stock				
Beginning balance	38,228	37,673	37,939	37,483
Common stock plans activity	160	156	450	359
Purchase of subsidiary shares from noncontrolling interest, net	—	—	(1)	(13)
Ending balance	38,388	37,829	38,388	37,829
Treasury Stock				
Beginning balance	(16,713)	(14,539)	(15,530)	(12,727)
Common stock repurchased	(1,457)	(602)	(2,640)	(2,414)
Ending balance	(18,170)	(15,141)	(18,170)	(15,141)
Retained Earnings				
Beginning balance	52,489	50,271	52,269	50,265
Net income (loss)	(984)	1,387	1,769	3,775
Dividends on common stock	5	5	(2,472)	(2,337)
Dividends on ESOP common stock	—	—	(42)	(40)
Other	3	(11)	(11)	(11)
Ending balance	51,513	51,652	51,513	51,652
Unearned ESOP Shares				
Beginning balance	(22)	(33)	(28)	(38)
Common stock plans activity	3	2	9	7
Ending balance	(19)	(31)	(19)	(31)
Accumulated Other Comprehensive Loss				
Beginning balance	(1,502)	(2,931)	(2,018)	(1,915)
Other comprehensive income (loss), net of tax	(614)	(1,191)	(98)	(2,207)
Ending balance	(2,116)	(4,122)	(2,116)	(4,122)
Noncontrolling Interest				
Beginning balance	1,576	1,549	1,546	1,596
Net income	51	8	138	65
Less: Redeemable noncontrolling interest net income	(3)	(3)	(6)	(6)
Dividends attributable to noncontrolling interest	(7)	(6)	(58)	(81)
Purchase of subsidiary shares from noncontrolling interest, net	—	—	—	(19)
Disposition of noncontrolling interest, net	—	—	(3)	(13)
Capital contributions	—	—	—	6
Ending balance	1,617	1,548	1,617	1,548
Equity at September 30	\$ 71,213	\$ 71,735	\$ 71,213	\$ 71,735
Supplemental share information				
Shares of common stock issued under employee plans, net	202	189	1,432	2,469
Shares of common stock repurchased	17,816	6,642	29,770	25,688
Dividends declared per share of common stock	\$ —	\$ —	\$ 1.730	\$ 1.610

See accompanying Notes to Condensed Consolidated Financial Statements

**RTX CORPORATION
AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

Note 1: Basis of Presentation

The Condensed Consolidated Financial Statements at September 30, 2023 and for the quarters and nine months ended September 30, 2023 and 2022 are unaudited, and in the opinion of management include adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods. 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 financial statements and notes in our 2022 Annual Report on Form 10-K.

Effective July 17, 2023, we changed our legal name from Raytheon Technologies Corporation to RTX Corporation.

Unless the context otherwise requires, the terms “we,” “our,” “us,” “the Company,” and “RTX” mean RTX Corporation and its subsidiaries.

Raytheon follows a 4-4-5 fiscal calendar while Collins Aerospace (Collins) and Pratt & Whitney use a quarter calendar end. Throughout this Quarterly Report on Form 10-Q, when we refer to the quarters ended September 30, 2023 and 2022 with respect to Raytheon, we are referring to their October 1, 2023 and October 2, 2022 fiscal quarter ends, respectively.

We reclassified certain immaterial prior period amounts within the Condensed Consolidated Statement of Cash Flows to conform to our current period presentation.

Organizational Structure. As previously announced, effective July 1, 2023, we streamlined the structure of our core businesses to three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. All segment information included in this Form 10-Q is reflective of this new structure and prior period information has been recast to conform to our current period presentation. In conjunction with the segment realignment, the Company revised its accounting policy with respect to the financial statement presentation of an immaterial amount of state income taxes allocable to U.S. government contracts related to our legacy Raytheon Intelligence & Space (RIS) and Raytheon Missiles & Defense (RMD) segments. Prior to July 1, 2023, these state income taxes were classified as Selling, general and administrative expenses. Effective with the segment change, state income tax amounts previously reported within Selling, general and administrative expenses were reclassified to Income tax expense (benefit) within the Condensed Consolidated Statement of Operations, and prior period amounts have been reclassified to conform to our current period presentation.

Pratt & Whitney Powder Metal Matter. Pratt & Whitney has determined that a rare condition in powder metal used to manufacture certain engine parts requires accelerated inspection of the PW1100G-JM (PW1100) Geared Turbofan (GTF) fleet, which powers the A320neo family of aircraft (A320neo) (herein referred to as the “Powder Metal Matter”). See “Note 15: Commitments and Contingencies” for additional information.

Russia Sanctions. In response to the Russian military’s invasion of Ukraine on February 24, 2022, the U.S. government and the governments of various jurisdictions in which we operate, including Canada, the United Kingdom, the European Union, and others, have imposed broad economic sanctions and export controls targeting specific industries, entities, and individuals in Russia. The Russian government has implemented similar counter-sanctions and export controls targeting specific industries, entities, and individuals in the U.S. and other jurisdictions in which we operate, including certain members of the Company’s management team and Board of Directors. These government measures, among other limitations, restrict transactions involving various Russian banks and financial institutions and impose enhanced export controls limiting transfers of various goods, software, and technologies to and from Russia, including broadened export controls specifically targeting the aerospace sector. These measures have adversely affected, and could continue to adversely affect, the Company and/or our supply chain, business partners, or customers. As a result of these sanctions on Russia and export controls, in the first quarter of 2022, we recorded pretax charges of \$290 million, \$210 million net of tax, and the impact of noncontrolling interest, within our Collins and Pratt & Whitney businesses primarily related to increased estimates for credit losses on both our accounts receivable and contract assets, inventory reserves and purchase order obligations, impairment of customer financing assets for products under lease, impairment of contract fulfillment costs that are no longer recoverable, and a loss on the exit of our investment in a Russia-based joint venture. We continue to monitor developments, including additional sanctions and other measures, that could adversely affect the Company and/or our supply chain, business partners, or customers.

Coronavirus Disease 2019 (COVID-19) Pandemic. The COVID-19 pandemic caused continuing negative effects on the global economy, our business and operations, the labor market, supply chains, inflation, and the industries in which we operate. We believe the long-term outlook for the aerospace industry remains positive due to the fundamental drivers of air travel demand.

Our expectations regarding the negative effects of the COVID-19 pandemic and ongoing recovery and their potential financial impact are based on available information and assumptions that we believe are reasonable at this time; however, the actual financial impact is highly uncertain and subject to a wide range of factors and future developments.

Note 2: Acquisitions, Dispositions, Goodwill, and Intangible Assets

Dispositions. On July 20, 2023, we entered into a definitive agreement to sell our actuation and flight control business within our Collins segment for gross proceeds of approximately \$1.8 billion. The closing of the transaction is subject to regulatory approvals and other customary closing conditions.

Goodwill. Changes in our goodwill balances for the nine months ended September 30, 2023 were as follows:

<i>(dollars in millions)</i>	Balance as of December 31, 2022		Acquisitions and Divestitures		Foreign Currency Translation and Other		Balance as of September 30, 2023	
Collins Aerospace	\$	32,846	\$	(3)	\$	48	\$	32,891
Pratt & Whitney		1,563		—		—		1,563
Raytheon		19,414		—		(2)		19,412
Total Segments		53,823		(3)		46		53,866
Eliminations and other		17		—		—		17
Total	\$	53,840	\$	(3)	\$	46	\$	53,883

Effective July 1, 2023, we implemented a new organizational structure resulting in a change from four segments to three segments. As a result, we reassigned goodwill and customer relationship intangibles to our new segment structure. Goodwill was reassigned on a relative fair value basis and we tested goodwill related to the impacted reporting units immediately before and after the reassignment and determined that no impairment existed.

Intangible Assets. Identifiable intangible assets are comprised of the following:

<i>(dollars in millions)</i>	September 30, 2023		December 31, 2022	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortized:				
Collaboration assets	\$ 5,742	\$ (1,621)	\$ 5,536	\$ (1,408)
Exclusivity assets	3,290	(344)	2,911	(323)
Developed technology and other	1,212	(608)	1,202	(544)
Customer relationships	29,830	(10,282)	29,775	(8,967)
	40,074	(12,855)	39,424	(11,242)
Indefinite-lived:				
Trademarks and other	8,646	—	8,641	—
Total	\$ 48,720	\$ (12,855)	\$ 48,065	\$ (11,242)

Amortization of intangible assets for the quarters and nine months ended September 30, 2023 and 2022 was \$545 million and \$1,564 million and \$497 million and \$1,451 million, respectively. The following is the expected amortization of intangible assets for the remainder of 2023 through 2028:

<i>(dollars in millions)</i>	Remaining 2023	2024	2025	2026	2027	2028
Amortization expense	\$ 449	\$ 2,195	\$ 2,102	\$ 2,025	\$ 1,905	\$ 1,803

Note 3: Earnings Per Share

<i>(dollars and shares in millions, except per share amounts)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) attributable to common shareowners:				
Income (loss) from continuing operations	\$ (984)	\$ 1,387	\$ 1,769	\$ 3,794
Loss from discontinued operations	—	—	—	(19)
Net income (loss) attributable to common shareowners	\$ (984)	\$ 1,387	\$ 1,769	\$ 3,775
Basic weighted average number of shares outstanding	1,448.1	1,470.1	1,455.7	1,478.7
Stock awards and equity units (share equivalent)	—	9.2	10.2	10.2
Diluted weighted average number of shares outstanding	1,448.1	1,479.3	1,465.9	1,488.9
Earnings (Loss) Per Share attributable to common shareowners - Basic:				
Income (loss) from continuing operations	\$ (0.68)	\$ 0.94	\$ 1.22	\$ 2.57
Loss from discontinued operations	—	—	—	(0.02)
Net income (loss) attributable to common shareowners	\$ (0.68)	\$ 0.94	\$ 1.22	\$ 2.55
Earnings (Loss) Per Share attributable to common shareowners - Diluted:				
Income (loss) from continuing operations	\$ (0.68)	\$ 0.94	\$ 1.21	\$ 2.55
Loss from discontinued operations	—	—	—	(0.01)
Net income (loss) attributable to common shareowners	\$ (0.68)	\$ 0.94	\$ 1.21	\$ 2.54

The computation of diluted earnings per share (EPS) excludes the effect of the potential exercise of stock awards, including stock appreciation rights and stock options, when the average market price of the 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 EPS excludes the effect of the potential release or exercise of stock awards when the awards' assumed proceeds exceed the average market price of the common shares during the period. For the quarter and nine months ended September 30, 2023, the number of stock awards excluded from the computation was 20.5 million and 7.0 million, respectively. For the quarter and nine months ended September 30, 2022, the number of stock awards excluded from the computation was 10.4 million and 7.1 million, respectively. All outstanding stock awards are excluded in the computation of diluted EPS in the quarter ended September 30, 2023 because their effect was antidilutive due to the loss from continuing operations.

Note 4: Changes in Contract Estimates at Completion

We review our Estimates at Completion (EACs) at least annually or when a change in circumstances warrants a modification to a previous estimate. For significant contracts, we review our EACs more frequently. Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables, and requires significant judgment by management on a contract by contract basis. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule, identified risks and opportunities, and the related changes in estimates of revenues and costs. The risks and opportunities relate to management's judgment about the ability and cost to achieve the schedule, consideration of customer-directed delays or reductions in scheduled deliveries, technical requirements, customer activity levels, such as flight hours or aircraft landings, and related variable consideration. Management must make assumptions and estimates regarding contract revenue and costs, including estimates of labor productivity and availability, the complexity and scope of the work to be performed, the availability and cost of materials including any impact from changing costs or inflation, the length of time to complete the performance obligation, execution by our subcontractors, the availability and timing of funding from our customer, overhead cost rates, and current and past maintenance cost and frequency driven by estimated aircraft and engine utilization and estimated useful lives of components, among others. In particular, fixed-price development programs involve significant management judgment, as development contracts by nature have elements that have not been done before and thus, are highly subject to future unexpected cost changes. Cost estimates may also include the estimated cost of satisfying our industrial cooperation agreements, sometimes in the form of either offset obligations or in-country industrial participation (ICIP) agreements, required under certain contracts. These obligations may or may not be distinct depending on their nature. If cash is paid to a customer to satisfy our offset obligations it is recorded as a reduction in the transaction price.

Changes in estimates of net sales, cost of sales, and the related impact to operating profit on contracts recognized over time are recognized on a cumulative catch-up basis, which recognizes the cumulative effect of the profit changes on current and prior

periods based on a performance obligation's percentage of completion in the current period. A significant change in one or more of these estimates could affect the profitability of one or more of our performance obligations. Our EAC adjustments also include the establishment of, and changes to, loss provisions for our contracts accounted for on a percentage of completion basis.

Net EAC adjustments had the following impact on our operating results:

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total net sales	\$ (235)	\$ 72	\$ (304)	\$ 150
Operating profit (loss)	(279)	7	(433)	2
Income (loss) from continuing operations attributable to common shareowners ⁽¹⁾	(220)	6	(342)	2
Diluted earnings (loss) per share from continuing operations attributable to common shareowners ⁽¹⁾	\$ (0.15)	\$ —	\$ (0.23)	\$ —

(1) Amounts reflect a U.S. statutory tax rate of 21%, which approximates our tax rate on our EAC adjustments.

Note 5: Accounts Receivable, Net

Accounts receivable, net consisted of the following:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Accounts receivable	\$ 10,422	\$ 9,560
Allowance for expected credit losses	(364)	(452)
Total accounts receivable, net	\$ 10,058	\$ 9,108

Note 6: Contract Assets and Liabilities

Contract assets reflect revenue recognized and performance obligations satisfied in advance of customer billing. Contract liabilities relate to payments received in advance of the satisfaction of performance under the contract. We receive payments from customers based on the terms established in our contracts. Total contract assets and contract liabilities were as follows:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Contract assets	\$ 12,696	\$ 11,534
Contract liabilities	(15,248)	(14,598)
Net contract liabilities	\$ (2,552)	\$ (3,064)

Contract assets increased \$1,162 million during the nine months ended September 30, 2023 primarily due to sales in excess of billings on certain contracts at Raytheon and Pratt & Whitney, partially offset by a decrease in contract assets driven by a customer insolvency charge recorded in the second quarter of 2023 and the EAC impacts related to the Powder Metal Matter, both at Pratt & Whitney. Contract liabilities increased \$650 million during the nine months ended September 30, 2023 primarily due to billings in excess of sales on certain contracts at Pratt & Whitney and Collins. We recognized revenue of \$0.9 billion and \$4.4 billion during the quarter and nine months ended September 30, 2023, respectively, related to contract liabilities as of January 1, 2023 and \$1.1 billion and \$4.1 billion during the quarter and nine months ended September 30, 2022, respectively, related to contract liabilities as of January 1, 2022.

As of September 30, 2023, our Contract liabilities include approximately \$390 million of advance payments received from a Middle East customer on contracts for which we no longer believe we will be able to execute on or obtain required regulatory approvals. These advance payments may become refundable to the customer if the contracts are ultimately terminated.

Contract assets include an allowance for expected credit losses of \$235 million and \$318 million as of September 30, 2023 and December 31, 2022, respectively.

Note 7: Inventory, net

Inventory, net consisted of the following:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Raw materials	\$ 3,894	\$ 3,477
Work-in-process	4,297	3,839
Finished goods	3,859	3,301
Total inventory, net	\$ 12,050	\$ 10,617

Note 8: Borrowings and Lines of Credit

As of September 30, 2023, we had a revolving credit agreement with various banks permitting aggregate borrowings of up to \$5.0 billion. This agreement was renewed in August 2023 and expires in August 2028. As of September 30, 2023, there were no borrowings outstanding under this agreement. The Company's \$2.0 billion revolving credit agreement scheduled to expire September 2023, was terminated in August 2023, and there were no outstanding borrowings at the time of termination.

From time to time, we use commercial paper borrowings for general corporate purposes, including the funding of potential acquisitions, pension contributions, debt refinancing, dividend payments, and repurchases of our common stock. The commercial paper notes have original maturities of not more than 364 days from the date of issuance. As of September 30, 2023, our maximum commercial paper borrowing limit was \$5.0 billion as the commercial paper is backed by our \$5.0 billion revolving credit agreement. We had \$1.0 billion and \$0.5 billion of commercial paper borrowings outstanding at September 30, 2023 and December 31, 2022, respectively, which is reflected in Short-term borrowings in our Condensed Consolidated Balance Sheet. At September 30, 2023 and December 31, 2022, short-term commercial paper borrowings outstanding had a weighted-average interest rate of 5.6% and 4.4%, respectively.

During the nine months ended September 30, 2023, we had no new borrowings, and \$200 million of repayments, of commercial paper with maturities greater than 90 days. During the nine months ended September 30, 2022, we had \$1.4 billion of proceeds from issuance, and no repayments, of commercial paper with maturities greater than 90 days.

We had the following issuances of long-term debt during the nine months ended September 30, 2023:

Issuance Date	Description of Notes	Aggregate Principal Balance (in millions)
February 27, 2023	5.000% notes due 2026	\$ 500
	5.150% notes due 2033	1,250
	5.375% notes due 2053	1,250

We made the following repayment of long-term debt during the nine months ended September 30, 2023:

Repayment Date	Description of Notes	Aggregate Principal Balance (in millions)
August 16, 2023	3.650% notes due 2023	\$ 171

Long-term debt consisted of the following:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
3.650% notes due 2023 ⁽¹⁾	\$ —	\$ 171
3.700% notes due 2023 ⁽¹⁾	400	400
3.200% notes due 2024 ⁽¹⁾	950	950
3.150% notes due 2024 ⁽¹⁾	300	300
3.950% notes due 2025 ⁽¹⁾	1,500	1,500
2.650% notes due 2026 ⁽¹⁾	719	719
5.000% notes due 2026 ⁽¹⁾	500	—
3.125% notes due 2027 ⁽¹⁾	1,100	1,100
3.500% notes due 2027 ⁽¹⁾	1,300	1,300
7.200% notes due 2027 ⁽¹⁾	382	382
7.100% notes due 2027	135	135
6.700% notes due 2028	285	285

7.000% notes due 2028 ⁽¹⁾	185	185
4.125% notes due 2028 ⁽¹⁾	3,000	3,000
7.500% notes due 2029 ⁽¹⁾	414	414
2.150% notes due 2030 (€500 million principal value) ⁽¹⁾	533	531
2.250% notes due 2030 ⁽¹⁾	1,000	1,000
1.900% notes due 2031 ⁽¹⁾	1,000	1,000
2.375% notes due 2032 ⁽¹⁾	1,000	1,000
5.150% notes due 2033 ⁽¹⁾	1,250	—
5.400% notes due 2035 ⁽¹⁾	446	446
6.050% notes due 2036 ⁽¹⁾	410	410
6.800% notes due 2036 ⁽¹⁾	117	117
7.000% notes due 2038	148	148
6.125% notes due 2038 ⁽¹⁾	575	575
4.450% notes due 2038 ⁽¹⁾	750	750
5.700% notes due 2040 ⁽¹⁾	553	553
4.875% notes due 2040 ⁽¹⁾	600	600
4.700% notes due 2041 ⁽¹⁾	425	425
4.500% notes due 2042 ⁽¹⁾	3,500	3,500
4.800% notes due 2043 ⁽¹⁾	400	400
4.200% notes due 2044 ⁽¹⁾	300	300
4.150% notes due 2045 ⁽¹⁾	850	850
3.750% notes due 2046 ⁽¹⁾	1,100	1,100
4.050% notes due 2047 ⁽¹⁾	600	600
4.350% notes due 2047 ⁽¹⁾	1,000	1,000
4.625% notes due 2048 ⁽¹⁾	1,750	1,750
3.125% notes due 2050 ⁽¹⁾	1,000	1,000
2.820% notes due 2051 ⁽¹⁾	1,000	1,000
3.030% notes due 2052 ⁽¹⁾	1,100	1,100
5.375% notes due 2053 ⁽¹⁾	1,250	—
Other (including finance leases)	260	253
Total principal long-term debt	34,087	31,249
Other (fair market value adjustments, (discounts)/premiums, and debt issuance costs)	3	40
Total long-term debt	34,090	31,289
Less: current portion	1,389	595
Long-term debt, net of current portion	\$ 32,701	\$ 30,694

(1) We may redeem these notes, in whole or in part, at our option pursuant to their terms prior to the applicable maturity date.

The average maturity of our long-term debt at September 30, 2023 is approximately 14 years.

Note 9: Employee Benefit Plans

Pension and Postretirement Plans. We sponsor both funded and unfunded domestic and foreign defined benefit pension and postretirement benefit (PRB) plans and defined contribution plans.

Contributions to our plans were as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
U.S. qualified defined benefit plans	\$ 9	\$ —	\$ 9	\$ —
International defined benefit plans	13	18	42	48
PRB plans	8	8	20	18
Defined contribution plans	296	230	985	792

In December 2020, we approved a change to the Raytheon Company domestic defined benefit pension plans for non-union participants to cease future benefit accruals based on an employee's years of service and compensation under the historical formula effective December 31, 2022. The plan change does not impact participants' historical benefit accruals. Benefits for service after December 31, 2022 are based on a cash balance formula. This plan change resulted in lower pension service cost beginning January 1, 2023.

The amounts recognized in the Condensed Consolidated Balance Sheet consist of:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Noncurrent pension assets (included in Other assets)	\$ 3,996	\$ 3,301
Current pension and PRB liabilities (included in Accrued employee compensation)	307	307
Future pension and postretirement benefit obligations	4,457	4,807

The amounts recognized in Future pension and postretirement benefit obligations consist of:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Noncurrent pension liabilities	\$ 3,816	\$ 4,133
Noncurrent PRB liabilities	581	611
Other pension and PRB related items	60	63
Future pension and postretirement benefit obligations	\$ 4,457	\$ 4,807

The components of net periodic benefit (income) expense for our defined pension and PRB plans were as follows:

<i>(dollars in millions)</i>	Pension Benefits		PRB	
	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
Operating expense				
Service cost	\$ 56	\$ 118	\$ 1	\$ 2
Non-operating expense				
Interest cost	627	380	12	7
Expected return on plan assets	(940)	(883)	(5)	(5)
Amortization of prior service credit	(39)	(40)	—	—
Recognized actuarial net (gain) loss	(94)	76	(8)	(3)
Net settlement, curtailment, and special termination benefit (gain) loss	4	—	—	—
Non-service pension income	(442)	(467)	(1)	(1)
Total net periodic benefit (income) expense	\$ (386)	\$ (349)	\$ —	\$ 1

<i>(dollars in millions)</i>	Pension Benefits		PRB	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating expense				
Service cost	\$ 167	\$ 354	\$ 3	\$ 6
Non-operating expense				
Interest cost	1,880	1,142	36	21
Expected return on plan assets	(2,815)	(2,661)	(15)	(16)
Amortization of prior service credit	(118)	(123)	—	—
Recognized actuarial net (gain) loss	(284)	230	(24)	(9)
Net settlement, curtailment, and special termination benefit (gain) loss	6	(6)	—	—
Non-service pension (income) expense	(1,331)	(1,418)	(3)	(4)
Total net periodic benefit (income) expense	\$ (1,164)	\$ (1,064)	\$ —	\$ 2

We have set aside assets in separate trusts, which we expect to be used to pay for certain nonqualified defined benefit and defined contribution plan obligations in excess of qualified plan limits. These assets are included in Other assets in our Condensed Consolidated Balance Sheet. The fair value of marketable securities held in trusts was as follows:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Marketable securities held in trusts	\$ 737	\$ 774

Note 10: Income Taxes

On September 8, 2023, the Internal Revenue Service (IRS) issued Notice 2023-63 providing interim guidance regarding the capitalization and amortization of research and experimental expenditures for U.S. tax purposes that became effective in 2022; prior to 2022 research and experimental expenditures were generally deductible in the period incurred. The IRS notice also provides that the Department of the Treasury and the IRS intend to issue proposed regulations consistent with the guidance set forth in the notice and that taxpayers may rely on the guidance in the notice prior to the issuance of the proposed regulations.

The Company's initial analysis indicates the guidance provided in the notice will result in fewer costs being subject to capitalization, and as such, costs previously required to be capitalized will now be deductible in the year incurred. Accordingly, the financial statements for the quarter and nine months ended September 30, 2023 include the estimated impacts of the interim guidance provided in the notice for both the 2022 and 2023 tax years. The Company will continue to review the applicability of the notice to our businesses and will review the proposed regulations when issued and adjust the estimates as necessary.

Our effective tax rate for the quarter and nine months ended September 30, 2023 was 29.4% and 9.2%, respectively, as compared to 16.8% and 13.8% for the quarter and nine months ended September 30, 2022, respectively. The change in our effective tax rate for the quarter and nine months ended September 30, 2023 primarily relates to a \$2.9 billion charge related to the Powder Metal Matter. We recorded a deferred income tax benefit related to this charge of \$663 million. The remaining change is primarily driven by a higher forecasted annualized effective tax rate for 2023 principally due to a lower forecasted Foreign Derived Intangible Income (FDII) benefit.

We conduct business globally and, as a result, RTX or one or more of our subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as Canada, China, France, Germany, India, Poland, Saudi Arabia, Singapore, Switzerland, the United Kingdom, and the United States. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for years before 2013.

The Examination Division of the Internal Revenue Service (IRS) is concluding the examination phase of RTX (formerly United Technologies Corporation) tax years 2017 and 2018, pre-acquisition Rockwell Collins tax years 2016, 2017, and 2018, and pre-merger Raytheon Company tax years 2017, 2018, and 2019 as well as certain refund claims of Raytheon Company for tax years 2014, 2015, and 2016 filed prior to the Raytheon merger. The examination phase of these audits is expected to close in 2023. The Company expects to dispute certain IRS proposed adjustments for each exam at the Appeals Division of the IRS.

The Company believes that it is reasonably possible that the closure of the audit examination phase for the RTX 2017 and 2018 and Rockwell Collins 2016, 2017, and 2018 tax years, as well as the expected expiration of U.S. federal income tax statute of limitations for RTX's 2019 tax year in the fourth quarter of 2023, will result in a net income benefit in the range of \$275

million to \$365 million. This range includes the effects of adjusting interest accruals and certain tax related indemnity receivables related to the separation and distributions of Carrier Global Corporation (Carrier) and Otis Worldwide Corporation (Otis). The tax components of this range are included in the revaluation range discussed below.

In the ordinary course of business, there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances, and information available at the reporting date. It is reasonably possible that a net reduction within the range of \$350 million to \$475 million of unrecognized tax benefits may occur within the next 12 months as a result of the revaluation of uncertain tax positions arising from developments in examinations, in appeals, or in the courts, or the closure of tax statutes.

Note 11: Financial Instruments

We enter into derivative instruments primarily for risk management purposes, including derivatives designated as hedging instruments and those utilized as economic hedges. 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 have used derivative instruments, including swaps, forward contracts, and options, to manage certain foreign currency, interest rate, and commodity price exposures.

The present value of aggregate notional principal of our outstanding foreign currency hedges was \$12.7 billion and \$11.2 billion at September 30, 2023 and December 31, 2022, respectively. At September 30, 2023, all derivative contracts accounted for as cash flow hedges will mature by February 2030.

The following table summarizes the fair value and presentation in the Condensed Consolidated Balance Sheet for derivative instruments:

<i>(dollars in millions)</i>	Balance Sheet Location	September 30, 2023	December 31, 2022
Derivatives designated as hedging instruments:			
Foreign exchange contracts	Other assets, current	\$ 125	\$ 67
	Other accrued liabilities	231	347
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	Other assets, current	\$ 26	\$ 17
	Other accrued liabilities	43	39

The effect of cash flow hedging relationships on Accumulated other comprehensive income (loss) and on the Condensed Consolidated Statement of Operations in the quarters and nine months ended September 30, 2023 and 2022 are presented in "Note 16: Accumulated Other Comprehensive Loss." The amounts of gain or loss are attributable to foreign exchange contract activity and are primarily recorded as a component of Products sales when reclassified from Accumulated other comprehensive loss.

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

As of September 30, 2023, our €500 million principal value of euro-denominated long-term debt qualifies as a net investment hedge against our investments in European businesses, which is deemed to be effective.

The effect of derivatives not designated as hedging instruments is included within Other income, net, on the Condensed Consolidated Statement of Operations and is not significant.

Note 12: 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 basis in our Condensed Consolidated Balance Sheet:

<i>(dollars in millions)</i>	September 30, 2023			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities held in trusts	\$ 737	\$ 675	\$ 62	\$ —
Derivative assets	151	—	151	—
Derivative liabilities	274	—	274	—

<i>(dollars in millions)</i>	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities held in trusts	\$ 774	\$ 713	\$ 61	\$ —
Derivative assets	84	—	84	—
Derivative liabilities	386	—	386	—

Valuation Techniques. Our derivative assets and liabilities include foreign exchange contracts that are measured at fair value using internal models based on observable market inputs such as forward rates, interest rates, our own credit risk, and our counterparties' credit risks.

As of September 30, 2023, 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.

The following table provides carrying amounts and fair values of financial instruments that are not carried at fair value in our Condensed Consolidated Balance Sheet:

<i>(dollars in millions)</i>	September 30, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Customer financing notes receivable	\$ 88	\$ 82	\$ 169	\$ 161
Long-term debt (excluding finance leases)	33,995	29,125	31,201	28,049

The following tables provide the valuation hierarchy classification of assets and liabilities that are not carried at fair value in our Condensed Consolidated Balance Sheet:

<i>(dollars in millions)</i>	September 30, 2023			
	Total	Level 1	Level 2	Level 3
Customer financing notes receivable	\$ 82	\$ —	\$ 82	\$ —
Long-term debt (excluding finance leases)	29,125	—	29,080	45

<i>(dollars in millions)</i>	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Customer financing notes receivable	\$ 161	\$ —	\$ 161	\$ —
Long-term debt (excluding finance leases)	28,049	—	28,003	46

The fair value of our Short-term borrowings approximates the carrying value due to their short-term nature, with commercial paper classified as level 2 and other short-term borrowings classified as level 3 within the fair value hierarchy.

Note 13: Variable Interest Entities

Pratt & Whitney holds a 61% program share interest in the International Aero Engines AG (IAE) collaboration with MTU Aero Engines AG (MTU) and Japanese Aero Engines Corporation (JAEC), and a 49.5% ownership interest in IAE. IAE's business purpose is to coordinate the design, development, manufacturing, and product support of the V2500 engine program through involvement with the collaborators. Additionally, Pratt & Whitney, JAEC, and MTU are participants in the International Aero Engines, LLC (IAE LLC) collaboration, whose business purpose is to coordinate the design, development, manufacturing, and product support for the PW1100G-JM engine for the Airbus A320neo family of aircraft. Pratt & Whitney holds a 59% program share interest and a 59% ownership interest in IAE LLC. IAE and IAE LLC retain limited equity with the primary economics of the programs passed to the participants. As such, we have determined that IAE and IAE LLC are variable interest entities with Pratt & Whitney as the primary beneficiary. IAE and IAE LLC have, therefore, been consolidated. Other collaborators participate in Pratt & Whitney's program share interest in IAE and IAE LLC. Pratt & Whitney's net program share interest in

IAE and IAE LLC, after considering its sub-collaborator share, is 57% and 51%, respectively. The carrying amounts and classification of assets and liabilities for variable interest entities in our Condensed Consolidated Balance Sheet are as follows:

<i>(dollars in millions)</i>	September 30, 2023		December 31, 2022	
Current assets	\$	8,516	\$	7,609
Noncurrent assets		857		779
Total assets	\$	9,373	\$	8,388
Current liabilities	\$	12,198	\$	9,154
Noncurrent liabilities		99		19
Total liabilities	\$	12,297	\$	9,173

Note 14: Guarantees

We extend a variety of financial, market value, and product performance guarantees to third parties. These instruments expire on various dates through 2036. Additional guarantees of project performance for which there is no stated value also remain outstanding. A portion of our third party guarantees are subject to indemnification for our benefit for any liabilities that could arise. As of September 30, 2023 and December 31, 2022, the following financial guarantees were outstanding:

<i>(dollars in millions)</i>	September 30, 2023		December 31, 2022	
	Maximum Potential Payment	Carrying Amount of Liability	Maximum Potential Payment	Carrying Amount of Liability
Commercial aerospace financing arrangements	\$ 302	\$ —	\$ 304	\$ —
Third party guarantees	422	1	335	1

We have made residual value and other guarantees related to various commercial aerospace customer financing arrangements. The estimated fair market values of the guaranteed assets equal or exceed the value of the related guarantees, net of existing reserves. Collaboration partners' share of these financing guarantees were \$139 million and \$140 million at September 30, 2023 and December 31, 2022, respectively.

We also have obligations arising from sales of certain businesses and assets, including those from representations and warranties and related indemnities for environmental, health and safety, tax, and employment matters. The maximum potential payment related to these obligations is not a specified amount, as a number of the obligations do not contain financial caps. The carrying amount of liabilities related to these obligations was \$96 million and \$97 million at September 30, 2023 and December 31, 2022, respectively. These primarily relate to environmental liabilities, which are included in our total environmental liabilities as further discussed in "Note 15: Commitments and Contingencies."

We accrue for 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.

We also provide service and warranty policies on our products and extend performance and operating cost guarantees beyond our normal service and warranty policies on some of our products, particularly commercial aircraft engines. In addition, we incur discretionary costs to service our products in connection with specific product performance issues. Liabilities for performance and operating cost guarantees are based upon future product performance and durability, and are largely estimated based upon historical experience. Adjustments are made to accruals as claims data and historical experience warrant.

The changes in the carrying amount of service and product warranties and product performance guarantees for the nine months ended September 30, 2023 and 2022 were as follows:

<i>(dollars in millions)</i>	2023		2022	
Balance as of January 1	\$	1,109	\$	1,157
Warranties and performance guarantees issued		244		203
Settlements		(221)		(196)
Other		(21)		(21)
Balance as of September 30	\$	1,111	\$	1,143

Product and service guarantees incurred in connection with long term production contracts and certain aftermarket arrangements are generally accounted for within the contract estimates at completion.

Note 15: Commitments and Contingencies

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, financial condition, or liquidity.

Environmental. Our operations are subject to environmental regulation by federal, state, and local authorities in the United States and regulatory authorities with jurisdiction over our foreign operations. We have accrued for the costs of environmental remediation activities, including but not limited to investigatory, remediation, operating and maintenance costs, and performance guarantees, and periodically reassess these amounts. We do not expect any additional liability to have a material adverse effect on our results of operations, financial condition, or liquidity. As of September 30, 2023 and December 31, 2022, we had \$770 million and \$798 million, respectively, reserved for environmental remediation.

Commercial Aerospace Financing and Other Commitments. We had commercial aerospace financing commitments and other contractual commitments of approximately \$14.5 billion and \$15.3 billion as of September 30, 2023 and December 31, 2022, respectively, on a gross basis before reduction for our collaboration partners' share. Aircraft financing commitments, in the form of debt or lease financing, are provided to certain commercial aerospace customers. The extent to which the financing commitments will be utilized is not currently known, since customers may be able to obtain more favorable terms from other financing sources. We may also arrange for third-party investors to assume a portion of these commitments. The majority of financing commitments are collateralized arrangements. We may also lease aircraft and subsequently sublease the aircraft to customers under long-term non-cancelable operating leases, or pay deposits on behalf of our customers to secure production slots with the airframers (pre-delivery payments). Our financing commitments with customers are contingent upon maintenance of certain levels of financial condition by our customers. Associated risks on these commitments are mitigated due to the fact that interest rates are variable during the commitment term and are set at the date of funding based on current market conditions, the fair value of the underlying collateral, and the credit worthiness of our customers. As a result, the fair value of these financing commitments is expected to equal the amounts funded.

We also have other contractual commitments to make payments to secure certain contractual rights to provide product on new aircraft platforms. The estimated amount and timing of these payments are generally based on future sales or engine flight hours. Payments made on these contractual commitments are included within intangible assets as exclusivity assets and are amortized over the term of underlying economic benefit. We have entered into certain collaboration arrangements, which may include participation by our collaboration partners in these commitments. In addition, in connection with our 2012 agreement to acquire Rolls-Royce's ownership and collaboration interests in IAE, additional payments are due to Rolls-Royce contingent upon each hour flown through June 2027 by the V2500-powered aircraft in service as of the acquisition date. These flight hour payments are capitalized as collaboration intangible assets as payments are made.

Other Financing Arrangements. We have entered into standby letters of credit and surety bonds with financial institutions to meet various bid, performance, warranty, retention, and advance payment obligations for us or our affiliates. We enter into these agreements to assist certain affiliates in obtaining financing on more favorable terms, making bids on contracts and performing their contractual obligations. The stated values of these letters of credit agreements and surety bonds totaled \$3.1 billion as of September 30, 2023.

Offset Obligations. We have entered into industrial cooperation agreements, sometimes in the form of either offset agreements or ICIP agreements, as a condition to obtaining orders for our products and services from certain customers in foreign countries. At September 30, 2023, the aggregate amount of our offset agreements, both agreed to and anticipated to be agreed to, had an outstanding notional value of approximately \$12.4 billion. These agreements are designed to return economic value to the foreign country by requiring us to engage in activities supporting local defense or commercial industries, promoting a balance of trade, developing in-country technology capabilities, or addressing other local development priorities. Offset agreements may be satisfied through activities that do not require a direct cash payment, including transferring technology, providing manufacturing, training, and other consulting support to in-country projects, and the purchase by third parties (e.g., our vendors) of supplies from in-country vendors. These agreements may also be satisfied through our use of cash for activities such as subcontracting with local partners, purchasing supplies from in-country vendors, providing financial support for in-country projects, and making investments in local ventures. Such activities may also vary by country depending upon requirements as dictated by their governments. We typically do not commit to offset agreements until orders for our products or services are definitive. The amounts ultimately applied against our offset agreements are based on negotiations with the customers and typically require cash outlays that represent only a fraction of the notional value in the offset agreements. Offset programs usually extend over several or more years and may provide for penalties in the event we fail to perform in accordance with offset requirements. Historically, we have not been required to pay any penalties of significance.

Government Oversight. In the ordinary course of business, the Company and its subsidiaries and our properties are subject to regulatory and governmental examinations, information gathering requests, inquiries, investigations, and threatened legal

actions and proceedings. For example, we are now, and believe that, in light of the current U.S. government contracting environment, we will continue to be the subject of one or more U.S. government investigations. Our contracts with the U.S. government are also subject to audits. Agencies that oversee contract performance include: the Defense Contract Audit Agency (DCAA), the Defense Contract Management Agency (DCMA), the Inspectors General of the U.S. Department of Defense (DoD), and other departments and agencies, the Government Accountability Office (GAO), the Department of Justice (DOJ), and Congressional Committees. Other areas of our business operations may also be subject to audit and investigation by these and other agencies. From time to time, agencies investigate or conduct audits to determine whether our operations are being conducted in accordance with applicable requirements. Such investigations and audits may be initiated due to a number of reasons, including as a result of a whistleblower complaint. Such investigations and audits could result in administrative, civil or criminal liabilities, including repayments, fines, treble or other damages, forfeitures, restitution, or penalties being imposed upon us, the suspension of government export licenses, or the suspension or debarment from future U.S. government contracting. U.S. government investigations often take years to complete. The U.S. government also reserves the right to debar a contractor from receiving new government contracts for fraudulent, criminal, or other seriously improper conduct. The U.S. government could void any contracts found to be tainted by fraud. Like many defense contractors, we have received audit reports recommending the reduction of certain contract prices because, for example, cost or pricing data or cost accounting practices used to price and negotiate those contracts may not have conformed to government regulations. Some of these audit reports recommend that certain payments be repaid, delayed, or withheld, and may involve substantial amounts. We have made voluntary refunds in those cases we believe appropriate, have settled some allegations and, in some cases, continue to negotiate and/or litigate. The Company may be, and in some cases has been, required to make payments into escrow of disputed liabilities while the related litigation is pending. If the litigation is resolved in the Company's favor, any such payments will be returned to the Company with interest. Our final allowable incurred costs for each year are also subject to audit and have, from time to time, resulted in disputes between us and the U.S. government, with litigation resulting at the Court of Federal Claims (COFC) or the Armed Services Board of Contract Appeals (ASBCA), or their related courts of appeals. In addition, the DOJ has, from time to time, convened grand juries to investigate possible irregularities by us. We also provide products and services to customers outside of the U.S., and those sales are subject to local government laws, regulations, and procurement policies and practices. Our compliance with such local government regulations or any applicable U.S. government regulations (e.g., the Foreign Corrupt Practices Act (FCPA) and International Traffic in Arms Regulations (ITAR)), may also be investigated or audited. In addition, we accrue for liabilities associated with those matters that are probable and can be reasonably estimated. The most likely liability amount to be incurred is accrued based upon a range of estimates. Where no amount within a range of estimates is more likely, then we accrue the minimum amount. Other than as specifically disclosed in this Form 10-Q, we do not expect these audits, investigations, or disputes to have a material effect on our results of operations, financial condition, or liquidity, either individually or in the aggregate.

Tax Treatment of Carrier and Otis Dispositions. Management has determined that the distributions of Carrier and Otis on April 3, 2020, and certain related internal business separation transactions, qualified as tax-free under applicable law. In making these determinations, we applied the tax law in the relevant jurisdictions to our facts and circumstances and obtained tax rulings from the relevant taxing authorities, tax opinions, and/or other external tax advice related to the concluded tax treatment. If the completed distributions of Carrier or Otis or certain internal business separation transactions were to fail to qualify for tax-free treatment, the Company could be subject to significant liabilities, and there could be material adverse impacts on the Company's business, results of operations, financial condition, or liquidity in future reporting periods.

Pratt & Whitney Powder Metal Matter. Pratt & Whitney has determined that a rare condition in powder metal used to manufacture certain engine parts requires accelerated inspection of the PW1100G-JM (PW1100) Geared Turbofan (GTF) fleet, which powers the A320neo family of aircraft (A320neo). This determination was made pursuant to Pratt & Whitney's safety management system.

On August 4, 2023, Pratt & Whitney issued a special instruction (SI), to operators of PW1100 GTF powered A320neo aircraft, which required accelerated inspections and engine removals covering an initial subset of operational engines, no later than September 15, 2023. During the third quarter, through its safety management system, Pratt & Whitney continued its engineering and industrial assessment which resulted in an updated fleet management plan for the remaining PW1100 fleet. This updated plan requires a repetitive inspection protocol for high pressure turbine disks as well as part life limits for high pressure turbine disks and high pressure compressor disks. This fleet management plan is expected to be released in one or more service bulletins (SB) beginning in the fourth quarter of 2023, following alignment with regulators. The actions set forth in the SI and SBs are expected to result in significant incremental shop visits through the end of 2026. These incremental shop visits are above Pratt & Whitney's prior estimates as of June 30, 2023. As a result, Pratt & Whitney expects a significant increase in aircraft on ground levels for the PW1100 powered A320neo fleet through 2026.

As a result of anticipated increased aircraft on ground levels and expected compensation to customers for this disruption, as well as incremental maintenance costs resulting from increased inspections and shop visits, RTX recorded a pre-tax operating

profit charge in the third quarter of 2023 of \$2.9 billion, reflecting Pratt & Whitney's net 51% program share of the PW1100 program. This reflects our current best estimate of expected customer compensation for the estimated duration of the disruption as well as the third quarter Estimate-at-Completion (EAC) adjustment impact of this matter to Pratt & Whitney's long-term maintenance contracts. The incremental costs to the business's long-term maintenance contracts include the estimated cost of additional inspections, replacement of parts, and other related impacts.

The \$2.9 billion charge is reflected in the Condensed Consolidated Statement of Operations as a reduction of sales of \$5.4 billion which was partially offset by a net reduction of cost of sales of \$2.5 billion primarily representing our partners' 49% share of this charge. This resulted in a net increase in Other accrued liabilities of \$2.8 billion, which principally relates to our 51% share of an accrual for expected customer compensation.

While Pratt & Whitney continues to evaluate the impact of this powder metal issue on other engine models within its fleet, we do not currently believe there will be any significant financial impact with respect to these other engine models. The financial impact of the powder metal issue is based on historical experience and is subject to various assumptions and judgments, most notably, the number and expected timing of shop visits, inspection results and scope of work to be performed, turnaround time, availability of new parts, available capacity at overhaul facilities and outcomes of negotiations with impacted customers. While these assumptions reflect our best estimates at this time, they are subject to variability. Potential changes to these assumptions and actual incurred costs could significantly affect the estimates inherent in our financial statements and could have a material effect on the Company's results of operations for the periods in which they are recognized.

Legal Proceedings. The Company and its subsidiaries are subject to various contract pricing disputes, government investigations, and litigation matters across jurisdictions, updates to certain of which are set forth below.

Cost Accounting Standards Claims

As previously disclosed, in April 2019, a Divisional Administrative Contracting Officer (DACO) of the United States DCMA asserted a claim against Pratt & Whitney to recover alleged overpayments of approximately \$1.73 billion plus interest (\$982 million at September 30, 2023). The claim is based on Pratt & Whitney's alleged noncompliance with Cost Accounting Standards (CAS) from January 1, 2007 to March 31, 2019, due to its method of allocating independent research and development costs to government contracts. Pratt & Whitney believes that the claim is without merit and filed an appeal to the ASBCA on June 7, 2019.

As previously disclosed, in December 2013, a DCMA DACO asserted a claim against Pratt & Whitney to recover alleged overpayments of approximately \$177 million plus interest (\$149 million at September 30, 2023). The claim is based on Pratt & Whitney's alleged noncompliance with CAS from January 1, 2005 to December 31, 2012, due to its method of determining the cost of collaborator parts used in the calculation of material overhead costs for government contracts. In 2014, Pratt & Whitney filed an appeal to the ASBCA. An evidentiary hearing was held and completed in June 2019. On November 22, 2021, the ASBCA issued its written decision sustaining in part and denying in part Pratt & Whitney's appeal. The ASBCA rejected the DCMA's asserted measure of the cost of collaborator parts, and ruled substantially in Pratt & Whitney's favor on other liability issues. The ASBCA remanded the appeal to the parties for resolution of damages issues, which could require further proceedings at the ASBCA. On December 23, 2021, the DCMA filed a motion with the ASBCA seeking partial reconsideration of the November 22, 2021 decision. The motion for reconsideration was denied on August 29, 2022. On December 23, 2022, the DCMA filed an appeal to the United States Court of Appeals for the Federal Circuit. We continue to believe that the ASBCA's rejection of the DCMA's asserted measure of the cost of collaborator parts is well supported in fact and law and likely will be sustained. In December 2018, a DCMA DACO issued a second claim against Pratt & Whitney that similarly alleges that its method of determining the cost of collaborator parts does not comply with the CAS for calendar years 2013 through 2017. This second claim, which asserts the same measure of the cost of collaborator parts rejected by the ASBCA's recent decision, demands payment of \$269 million plus interest (\$116 million at September 30, 2023). Pratt & Whitney appealed this second claim to the ASBCA in January 2019. Although subject to further litigation at the ASBCA and potentially further appellate proceedings, we continue to believe that the November 22, 2021 decision in the first claim will apply with equal legal effect to the second claim. Accordingly, we believe that the amounts demanded by the DCMA as set forth in the two claims are without legal basis and that any damages owed to the U.S. government for the two claims will not have a material adverse effect on our results of operations, financial condition, or liquidity.

Thales-Raytheon Systems and Related Matters

As previously disclosed, in 2019, Raytheon Company received a subpoena from the Securities and Exchange Commission (SEC) seeking information in connection with an investigation into whether there were improper payments made by Raytheon Company, our joint venture known as Thales-Raytheon Systems (TRS), or anyone acting on their behalf, in connection with TRS or Raytheon Company contracts in certain Middle East countries since 2014. In the first quarter of 2020, the DOJ advised Raytheon Company it had opened a parallel criminal investigation. In the third quarter of 2020, Raytheon Company received an

additional subpoena from the SEC, seeking information and documents as part of its ongoing investigation. The Company maintains a rigorous anti-corruption compliance program, and continues to cooperate fully with the SEC's and DOJ's inquiries, and to examine through our own investigation whether there were any improper payments or any such conduct that was in violation of Raytheon Company policy. At this time, the Company is unable to predict the outcome of the SEC's or DOJ's inquiries. Based on the information available to date, however, we cannot reasonably estimate the range of any potential loss or impact to the business that may result, but do not believe that the results of these inquiries will have a material adverse effect on our results of operations, financial condition, or liquidity.

DOJ Investigation, Contract Pricing Disputes, and Related Civil Litigation

As previously disclosed, on October 8, 2020, the Company received a criminal subpoena from the DOJ seeking information and documents in connection with an investigation relating to financial accounting, internal controls over financial reporting, and cost reporting regarding Raytheon Company's Missiles & Defense (RMD) business since 2009. The investigation involves multi-year contracts subject to governmental regulation, including potential civil defective pricing claims for three RMD contracts entered into between 2011 and 2013. As part of the same investigation, on March 24, 2021, the Company received a second criminal subpoena from the DOJ seeking documents relating to a different RMD contract entered into in 2017. We are cooperating fully with, and will continue to review the issues raised by, the DOJ's ongoing investigation. We continue to make substantial progress in our internal review of the issues raised by the DOJ investigation. Although we believe we have defenses to the potential claims, the Company has determined that there is a probable risk of liability for damages, interest, and potential penalties, and has accrued approximately \$300 million for this matter. We are currently unable to estimate an incremental loss, if any, which may result when the DOJ investigation is complete. Based on the information available to date, we do not believe the results of the DOJ investigation, or of any pending or potential civil litigation, will have a material adverse effect on our results of operations, financial condition, or liquidity.

Following the Company's initial disclosure of the DOJ subpoena, three shareholder derivative lawsuits were also filed in the United States District Court for the District of Delaware against the former Raytheon Company Board of Directors, the Company, and certain of its executives, each alleging that defendants violated federal securities laws and breached their fiduciary duties by engaging in improper accounting practices, failing to implement sufficient internal financial and compliance controls, and making a series of false and misleading statements in regulatory filings. Those shareholder derivative lawsuits were consolidated and remain pending. We continue to believe that the consolidated action lacks merit.

Darnis, et al. and Related Matter

As previously disclosed, on August 12, 2020, several former employees of United Technologies Corporation (UTC) or its subsidiaries filed a putative class action complaint in the United States District Court for the District of Connecticut against the Company, Otis, Carrier, the former members of the UTC Board of Directors, and the members of the Carrier and Otis Boards of Directors. The complaint challenged the method by which UTC equity awards were converted to Company, Otis, and Carrier equity awards following the separation of UTC into three independent, publicly-traded companies on April 3, 2020. The complaint also claimed that the defendants are liable for breach of certain equity compensation plans and also asserted claims under certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA). On September 13, 2021, Plaintiffs filed an amended complaint, which superseded the initial complaint, and continued to assert claims for breach of the equity compensation plans against the Company, Otis, and Carrier, but no longer asserted ERISA claims. Further, no claim was made in the amended complaint against any current or former director of any of the three companies. Plaintiffs sought money damages, attorneys' fees, and other relief. On September 30, 2022, in response to motions to dismiss filed by the Company, Otis and Carrier, the Court dismissed the class action in its entirety with prejudice. On October 26, 2022, Plaintiffs filed an appeal to the United States Court of Appeals for the Second Circuit, which affirmed the dismissal on August 3, 2023. On December 6, 2022, a shareholder derivative lawsuit was filed in the Delaware Court of Chancery against the Company and certain current and former members of its Board of Directors, alleging that defendants breached their fiduciary duties in May 2020 by amending the method by which UTC equity awards were converted to certain Company equity awards following the separation of UTC into three independent, publicly-traded companies. We believe that the lawsuit lacks merit.

Civil Litigation Related to Employee Hiring Practices

Pratt & Whitney is one of multiple defendants in a putative class action lawsuit pending in the United States District Court for the District of Connecticut alleging that Pratt & Whitney and the other defendants agreed to restrict the hiring and recruiting of certain engineers and skilled laborers in a manner that violated federal antitrust laws. Plaintiffs seek to represent different purported classes of engineers and skilled laborers employed by Pratt & Whitney and other supplier-defendants since 2011, and are seeking to recover treble damages in an undetermined amount, plus attorneys' fees and costs of suit. We believe that the claims asserted lack merit. Based on the information available to date, we do not believe that this matter will have a material adverse effect on our results of operations, financial condition, or liquidity.

Securities Suit Related to Powder Metal Disclosure

Following the Company's disclosures of a rare condition in powder metal used to manufacture certain Pratt & Whitney engine parts, two putative federal securities class action lawsuits were filed in the United States District Court for the District of Connecticut against the Company and certain current and former executives of the Company. The lawsuits allege that defendants violated federal securities laws by making material misstatements and omitting material facts relating to Pratt & Whitney's Geared Turbofan engine fleet, including the impact of the powder metal issue on the fleet, in various regulatory filings. Based on the information available to date, we do not believe that this matter will have a material adverse effect on our results of operations, financial condition, or liquidity.

Where appropriate, we have recorded loss contingency accruals for the above-referenced matters, and the amounts individually, or in the aggregate, are not material.

Other. As described in "Note 14: Guarantees," we extend performance and operating cost guarantees beyond our normal warranty and service policies for extended periods on some of our products. We have accrued our estimate of the liability that may result under these guarantees and for service costs that are probable and can be reasonably estimated.

We also have other 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 upon a range of possible outcomes. If no amount within this range is a better estimate than any other, then we accrue the minimum amount.

In the ordinary course of business, the Company and its subsidiaries are also routinely defendants in, parties 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 instances, 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 results of operations, financial condition, or liquidity.

Note 16: Accumulated Other Comprehensive Loss

A summary of the changes in each component of Accumulated other comprehensive loss, net of tax for the quarters and nine months ended September 30, 2023 and 2022 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)
Quarter Ended September 30, 2023				
Balance at June 30, 2023	\$ (476)	\$ (1,035)	\$ 9	\$ (1,502)
Other comprehensive income (loss) before reclassifications, net	(441)	37	(132)	(536)
Amounts reclassified, pre-tax	—	(141)	9	(132)
Tax benefit (expense)	(3)	33	24	54
Balance at September 30, 2023	\$ (920)	\$ (1,106)	\$ (90)	\$ (2,116)
Nine Months Ended September 30, 2023				
Balance at December 31, 2022	\$ (1,005)	\$ (782)	\$ (231)	\$ (2,018)
Other comprehensive income (loss) before reclassifications, net	85	(7)	101	179
Amounts reclassified, pre-tax	—	(426)	73	(353)
Tax benefit (expense)	—	109	(33)	76
Balance at September 30, 2023	\$ (920)	\$ (1,106)	\$ (90)	\$ (2,116)

<i>(dollars in millions)</i>	Foreign Currency Translation	Defined Benefit Pension and Postretirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Quarter Ended September 30, 2022				
Balance at June 30, 2022	\$ (908)	\$ (1,772)	\$ (251)	\$ (2,931)
Other comprehensive income (loss) before reclassifications, net	(1,050)	15	(285)	(1,320)
Amounts reclassified, pre-tax	—	33	34	67
Tax benefit (expense)	4	(6)	64	62
Balance at September 30, 2022	\$ (1,954)	\$ (1,730)	\$ (438)	\$ (4,122)
Nine Months Ended September 30, 2022				
Balance at December 31, 2021	\$ 49	\$ (1,828)	\$ (136)	\$ (1,915)
Other comprehensive income (loss) before reclassifications, net	(2,000)	18	(453)	(2,435)
Amounts reclassified, pre-tax	2	98	57	157
Tax benefit (expense)	(5)	(18)	94	71
Balance at September 30, 2022	\$ (1,954)	\$ (1,730)	\$ (438)	\$ (4,122)

Note 17: Segment Financial Data

Our segments are generally based on the management structure of the businesses and the grouping of similar operating companies, where each management organization has general operating autonomy over diversified products and services. As previously announced, effective July 1, 2023, we streamlined the structure of our core businesses to three principal business segments: Collins Aerospace (Collins), Pratt & Whitney, and Raytheon. All segment information is reflective of this new structure and prior period information has been recast to conform to our current period presentation.

Collins Aerospace is a leading global provider of technologically advanced aerospace and defense products and aftermarket service solutions for aircraft manufacturers, airlines, and regional, business, and general aviation, as well as for defense and commercial space operations. Collins' product lines include integrated avionics systems, aviation systems, communications systems, navigation systems, electric power generation, management and distribution systems, environmental control systems, flight control systems, air data and aircraft sensing systems, engine control systems, engine components, engine nacelle systems, including thrust reversers and mounting pylons, interior and exterior aircraft lighting, aircraft seating and cargo systems, evacuation systems, landing systems (including landing gear, wheels, and braking systems), hoists and winches, fire and ice detection and protection systems, actuation systems, and propeller systems. Collins also designs, manufactures, and supports cabin interior, oxygen systems, food and beverage preparation, storage and galley systems, lavatory, and wastewater management systems. Collins' solutions support human space exploration with environmental control and power systems and extravehicular activity suits and support government and defense customer missions by providing connected battlespace systems, test and training range systems, crew escape systems, and simulation and training solutions. Collins also provides connected aviation solutions and services through worldwide voice and data communication networks and air traffic management solutions. Aftermarket services include spare parts, overhaul and repair, engineering and technical support, training and fleet management solutions, asset management services, and information management services.

Pratt & Whitney is among the world's leading suppliers of aircraft engines for commercial, military, business jet and general aviation customers. Pratt & Whitney's Commercial Engines and Military Engines businesses design, develop, produce, and maintain families of large engines for wide- and narrow-body and large regional aircraft for commercial customers and for fighter, bomber, tanker, and transport aircraft for military customers. Pratt & Whitney's small engine business, Pratt & Whitney Canada, is among the world's leading suppliers of engines powering regional airlines, general and business aviation, as well as helicopters. Pratt & Whitney also produces, sells, and services military and commercial auxiliary power units. Pratt & Whitney provides fleet management services and aftermarket maintenance, repair, and overhaul services in all of these segments.

Raytheon is a leading provider of defensive and offensive threat detection, tracking and mitigation capabilities for U.S. and foreign government and commercial customers. Raytheon designs, develops, and provides advanced capabilities in integrated air and missile defense, smart weapons, missiles, advanced sensors and radars, offensive and defensive cybersecurity tools, interceptors, space-based systems, hypersonics, and missile defense across land, air, sea, and space.

We present a FAS/CAS operating adjustment outside of segment results, which represents the difference between the service cost component of our pension and PRB expense under the Financial Accounting Standards (FAS) requirements of U.S. Generally Accepted Accounting Principles (GAAP) and our pension and PRB expense under U.S. government Cost Accounting Standards (CAS) primarily related to our Raytheon segment. While the ultimate liability for pension and PRB costs under FAS and CAS is similar, the pattern of cost recognition is different. Over time, we generally expect to recover the related Raytheon pension and PRB liabilities through the pricing of our products and services to the U.S. government. Collins and Pratt & Whitney generally record pension and PRB expense on a FAS basis. In connection with the segment realignment, prior period results were recast in order to maintain the segment cost recognition patterns described above.

Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment. These adjustments are not considered part of management's evaluation of segment results.

Total sales and operating profit (loss) by segment include inter-segment sales which are generally recorded at cost-plus a specified fee or at a negotiated fixed price. These pricing arrangements may result in margins different than what the purchasing segment realizes on the ultimate third-party sale. Results for the quarters ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	Net Sales		Operating Profit (Loss)		Operating Profit (Loss) Margins	
	2023	2022	2023	2022	2023	2022
Collins Aerospace	\$ 6,629	\$ 5,718	\$ 903	\$ 742	13.6 %	13.0 %
Pratt & Whitney ⁽²⁾	926	5,380	(2,482)	316	(268.0) %	5.9 %
Raytheon	6,472	6,308	560	686	8.7 %	10.9 %
Total segment	14,027	17,406	(1,019)	1,744	(7.3) %	10.0 %
Eliminations and other ⁽¹⁾	(563)	(455)	(69)	(13)		
Corporate expenses and other unallocated items ⁽³⁾	—	—	(63)	(77)		
FAS/CAS operating adjustment	—	—	272	348		
Acquisition accounting adjustments	—	—	(517)	(482)		
Consolidated	\$ 13,464	\$ 16,951	\$ (1,396)	\$ 1,520	(10.4) %	9.0 %

(1) Includes the operating results of certain smaller operations.

(2) 2023 includes the impacts of the Powder Metal Matter.

(3) 2022 included the net expenses related to the U.S. Army's Lower Tier Air and Missile Defense Sensor (LTAMDS) program. Beginning in 2023, LTAMDS results are included in the Raytheon segment.

Results for the nine months ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	Net Sales		Operating Profit (Loss)		Operating Profit (Loss) Margins	
	2023	2022	2023	2022	2023	2022
Collins Aerospace	\$ 19,133	\$ 16,821	\$ 2,699	\$ 1,973	14.1 %	11.7 %
Pratt & Whitney ⁽²⁾	11,857	14,878	(1,837)	769	(15.5) %	5.2 %
Raytheon	19,464	18,515	1,775	1,920	9.1 %	10.4 %
Total segment	50,454	50,214	2,637	4,662	5.2 %	9.3 %
Eliminations and other ⁽¹⁾	(1,461)	(1,233)	(34)	(25)		
Corporate expenses and other unallocated items ⁽³⁾	—	—	(165)	(255)		
FAS/CAS operating adjustment	—	—	845	1,045		
Acquisition accounting adjustments	—	—	(1,499)	(1,414)		
Consolidated	\$ 48,993	\$ 48,981	\$ 1,784	\$ 4,013	3.6 %	8.2 %

(1) Includes the operating results of certain smaller operations.

(2) 2023 includes the impacts of the Powder Metal Matter.

(3) 2022 included the net expenses related to the U.S. Army's Lower Tier Air and Missile Defense Sensor (LTAMDS) program. Beginning in 2023, LTAMDS results are included in the Raytheon segment.

Total assets by segment are as follows:

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Collins Aerospace ⁽¹⁾	\$ 72,006	\$ 70,404
Pratt & Whitney ⁽¹⁾	39,619	36,205
Raytheon ⁽¹⁾	46,075	45,666
Total segment	157,700	152,275
Corporate, eliminations, and other	4,743	6,589
Consolidated	\$ 162,443	\$ 158,864

(1) Total assets include acquired intangible assets and the property, plant, and equipment fair value adjustment. Related amortization expense is included in Acquisition accounting adjustments.

We disaggregate our contracts from customers by geographic region based on customer location, by customer, and by sales type. Our geographic region based on customer location uses end user customer location where known or practical to determine, or in instances where the end user customer is not known or not practical to determine, we utilize “ship to” location as the customer location. In addition, for our Raytheon segment, we disaggregate our contracts from customers by contract type. We believe these categories best depict how the nature, amount, timing, and uncertainty of our revenue and cash flows are affected by economic factors.

Segment sales disaggregated by geographic region for the quarters ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023					2022				
	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
United States	\$ 3,323	\$ 2,849	\$ 4,987	\$ (4)	\$ 11,155	\$ 2,988	\$ 2,756	\$ 4,635	\$ 43	\$ 10,422
Europe	1,580	1,533	400	1	3,514	1,251	1,074	337	1	2,663
Asia Pacific	674	1,191	549	—	2,414	563	1,028	569	—	2,160
Middle East and North Africa	187	168	469	—	824	143	160	675	—	978
Other regions	335	586	37	—	958	313	360	55	—	728
Powder Metal Matter	—	(5,401)	—	—	(5,401)	—	—	—	—	—
Consolidated net sales	6,099	926	6,442	(3)	13,464	5,258	5,378	6,271	44	16,951
Inter-segment sales	530	—	30	(560)	—	460	2	37	(499)	—
Business segment sales	\$ 6,629	\$ 926	\$ 6,472	\$ (563)	\$ 13,464	\$ 5,718	\$ 5,380	\$ 6,308	\$ (455)	\$ 16,951

Segment sales disaggregated by geographic region for the nine months ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023					2022				
	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
United States	\$ 9,657	\$ 8,327	\$ 14,865	\$ 81	\$ 32,930	\$ 8,775	\$ 7,630	\$ 13,802	\$ 130	\$ 30,337
Europe	4,580	3,998	1,209	3	9,790	3,875	3,010	1,026	2	7,913
Asia Pacific	1,864	3,068	1,640	1	6,573	1,594	2,726	1,505	—	5,825
Middle East and North Africa	531	382	1,525	—	2,438	397	350	1,929	—	2,676
Other regions	1,050	1,482	131	—	2,663	918	1,160	151	1	2,230
Powder Metal Matter	—	(5,401)	—	—	(5,401)	—	—	—	—	—
Consolidated net sales	17,682	11,856	19,370	85	48,993	15,559	14,876	18,413	133	48,981
Inter-segment sales	1,451	1	94	(1,546)	—	1,262	2	102	(1,366)	—
Business segment sales	\$ 19,133	\$ 11,857	\$ 19,464	\$ (1,461)	\$ 48,993	\$ 16,821	\$ 14,878	\$ 18,515	\$ (1,233)	\$ 48,981

Segment sales disaggregated by type of customer for the quarters ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023					2022				
	Collins Aerospace	Pratt & Whitney ⁽²⁾	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Sales to the U.S. government ⁽¹⁾	\$ 1,502	\$ 1,239	\$ 4,943	\$ (6)	\$ 7,678	\$ 1,610	\$ 1,324	\$ 4,579	\$ 42	\$ 7,555
Foreign military sales through the U.S. government	76	474	767	—	1,317	85	295	895	—	1,275
Foreign government direct commercial sales	257	127	636	—	1,020	227	116	720	1	1,064
Commercial aerospace and other commercial sales	4,264	(914)	96	3	3,449	3,336	3,643	77	1	7,057
Consolidated net sales	6,099	926	6,442	(3)	13,464	5,258	5,378	6,271	44	16,951
Inter-segment sales	530	—	30	(560)	—	460	2	37	(499)	—
Business segment sales	\$ 6,629	\$ 926	\$ 6,472	\$ (563)	\$ 13,464	\$ 5,718	\$ 5,380	\$ 6,308	\$ (455)	\$ 16,951

(1) Excludes foreign military sales through the U.S. government.

(2) Includes the reduction in sales from the Powder Metal Matter.

Segment sales disaggregated by type of customer for the nine months ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023					2022				
	Collins Aerospace	Pratt & Whitney ⁽²⁾	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Sales to the U.S. government ⁽¹⁾	\$ 4,670	\$ 3,774	\$ 14,670	\$ 79	\$ 23,193	\$ 4,785	\$ 3,915	\$ 13,624	\$ 128	\$ 22,452
Foreign military sales through the U.S. government	226	1,158	2,436	—	3,820	271	796	2,565	—	3,632
Foreign government direct commercial sales	793	347	1,970	3	3,113	784	335	1,996	3	3,118
Commercial aerospace and other commercial sales	11,993	6,577	294	3	18,867	9,719	9,830	228	2	19,779
Consolidated net sales	17,682	11,856	19,370	85	48,993	15,559	14,876	18,413	133	48,981
Inter-segment sales	1,451	1	94	(1,546)	—	1,262	2	102	(1,366)	—
Business segment sales	\$ 19,133	\$ 11,857	\$ 19,464	\$ (1,461)	\$ 48,993	\$ 16,821	\$ 14,878	\$ 18,515	\$ (1,233)	\$ 48,981

(1) Excludes foreign military sales through the U.S. government.

(2) Includes the reduction in sales from the Powder Metal Matter.

Segment sales disaggregated by sales type for the quarters ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023					2022				
	Collins Aerospace	Pratt & Whitney ⁽¹⁾	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Products	\$ 4,761	\$ (1,486)	\$ 5,339	\$ 1	\$ 8,615	\$ 4,194	\$ 3,183	\$ 5,336	\$ 43	\$ 12,756
Services	1,338	2,412	1,103	(4)	4,849	1,064	2,195	935	1	4,195
Consolidated net sales	6,099	926	6,442	(3)	13,464	5,258	5,378	6,271	44	16,951
Inter-segment sales	530	—	30	(560)	—	460	2	37	(499)	—
Business segment sales	\$ 6,629	\$ 926	\$ 6,472	\$ (563)	\$ 13,464	\$ 5,718	\$ 5,380	\$ 6,308	\$ (455)	\$ 16,951

(1) Includes the reduction in sales from the Powder Metal Matter.

Segment sales disaggregated by sales type for the nine months ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023					2022				
	Collins Aerospace	Pratt & Whitney ⁽¹⁾	Raytheon	Other	Total	Collins Aerospace	Pratt & Whitney	Raytheon	Other	Total
Products	\$ 13,813	\$ 4,765	\$ 16,149	\$ 86	\$ 34,813	\$ 12,309	\$ 8,798	\$ 15,640	\$ 129	\$ 36,876
Services	3,869	7,091	3,221	(1)	14,180	3,250	6,078	2,773	4	12,105
Consolidated net sales	\$ 17,682	\$ 11,856	\$ 19,370	\$ 85	\$ 48,993	\$ 15,559	\$ 14,876	\$ 18,413	\$ 133	\$ 48,981
Inter-segment sales	1,451	1	94	(1,546)	—	1,262	2	102	(1,366)	—
Business segment sales	\$ 19,133	\$ 11,857	\$ 19,464	\$ (1,461)	\$ 48,993	\$ 16,821	\$ 14,878	\$ 18,515	\$ (1,233)	\$ 48,981

(1) Includes the reduction in sales from the Powder Metal Matter.

Raytheon segment sales disaggregated by contract type for the quarters ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023		2022	
Fixed-price	\$	2,997	\$	3,180
Cost-type		3,445		3,091
Consolidated net sales		6,442		6,271
Inter-segment sales		30		37
Business segment sales	\$	6,472	\$	6,308

Raytheon segment sales disaggregated by contract type for the nine months ended September 30, 2023 and 2022 are as follows:

<i>(dollars in millions)</i>	2023		2022	
Fixed-price	\$	9,639	\$	9,369
Cost-type		9,731		9,044
Consolidated net sales		19,370		18,413
Inter-segment sales		94		102
Business segment sales	\$	19,464	\$	18,515

Note 18: Remaining Performance Obligations (RPO)

RPO represent the aggregate amount of total contract transaction price that is unsatisfied or partially unsatisfied. Total RPO was \$190 billion as of September 30, 2023. Of the total RPO as of September 30, 2023, we expect approximately 30% will be recognized as revenue over the next 12 months. Approximately 45% of our RPO relates to long-term commercial aerospace maintenance contracts at Pratt & Whitney, which are generally expected to be realized over a span of up to 15 years.

Note 19: Accounting Pronouncements

In September 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2022-04, Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations, which requires that a buyer in a supplier finance program disclose the key terms of supplier finance programs, the amount of obligations outstanding at the end of the reporting period that the entity has confirmed as valid to the finance provider, where these obligations are recorded in the balance sheet, and a roll forward of the obligations. The new standard is effective for fiscal years beginning after December 15, 2022, on a retrospective basis, including interim periods within those fiscal years. The adoption of this standard did not have an impact on our disclosures as we have determined impact of supplier finance programs is not material.

Other new pronouncements issued but not effective until after September 30, 2023 are not expected to have a material impact on our results of operations, financial condition, or liquidity.

Note 20: Subsequent Events

Accelerated Share Repurchase. On October 21, 2023, our Board of Directors authorized a share repurchase program for up to \$11 billion of our common stock, replacing the previous program announced on December 12, 2022. This \$11 billion share repurchase authorization is inclusive of authority to enter into a \$10 billion accelerated share repurchase program (ASR).

On October 24, 2023, we entered into a \$10 billion bridge loan facility, the proceeds of which are expected to be used to fund the ASR, and on October 24, 2023, we announced our intention to enter into the ASR. We expect to enter into ASR agreements in October 2023 which will provide for the repurchase of an aggregate of \$10 billion of the Company's common stock. Under the ASR we expect to take delivery of the majority of the shares in the fourth quarter of 2023 with the expected final settlement of the transactions under the ASR agreements to occur no later than the third quarter of 2024. We intend to repay the bridge loan with long-term debt.

Definitive Agreement. On October 18, 2023, we entered into a definitive agreement to sell our Cybersecurity, Intelligence and Services business within our Raytheon segment for a sales price of approximately \$1.3 billion. The closing of the transaction is subject to regulatory approvals and other customary closing conditions.

With respect to the unaudited condensed consolidated financial information of RTX for the quarters and nine months ended September 30, 2023 and 2022, PricewaterhouseCoopers LLP (PwC) reported that it has applied limited procedures in accordance with professional standards for a review of such information. However, its report dated October 24, 2023, appearing below, states that the firm did not audit and does not express an opinion on that unaudited condensed consolidated financial information. PwC has not carried out any significant or additional audit tests 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. PwC 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 PwC within the meaning of Sections 7 and 11 of the Act.

Report of Independent Registered Public Accounting Firm

To the Shareowners and Board of Directors of RTX Corporation

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of RTX Corporation and its subsidiaries (the “Company”) as of September 30, 2023, and the related condensed consolidated statements of operations, of comprehensive income (loss), and of changes in equity, for the three-month and nine-month periods ended September 30, 2023 and 2022, and the condensed consolidated statement of cash flows for the nine-month periods ended September 30, 2023 and 2022, 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) (“PCAOB”), the consolidated balance sheet of the Company as of December 31, 2022, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 6, 2023, 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, 2022, 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 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

Boston, Massachusetts
October 24, 2023

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

BUSINESS OVERVIEW

We are a global premier systems provider of high technology products and services to the aerospace and defense industries.

Effective July 17, 2023, we changed our legal name from Raytheon Technologies Corporation to RTX Corporation.

Unless the context otherwise requires, the terms “we,” “our,” “us,” “the Company,” and “RTX” mean RTX Corporation and its subsidiaries.

As previously announced, effective July 1, 2023, we streamlined the structure of our core businesses to three principal business segments: Collins Aerospace (Collins), Pratt & Whitney, and Raytheon. All segment information is reflective of this new structure and prior period information has been recast to conform to our current period presentation.

Raytheon follows a 4-4-5 fiscal calendar while Collins and Pratt & Whitney use a quarter calendar end. Throughout this Quarterly Report on Form 10-Q, when we refer to the quarters ended September 30, 2023 and 2022 with respect to Raytheon, we are referring to their October 1, 2023 and October 2, 2022 fiscal quarter ends, respectively.

The current status of significant factors affecting our business environment in 2023 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 (MD&A) in our 2022 Annual Report on Form 10-K.

Industry Considerations

Our worldwide operations can be affected by industrial, economic, and political factors on both a regional and global level. Our operations include original equipment manufacturer (OEM) and extensive related aftermarket parts and services related to our aerospace operations. Our defense business serves both domestic and international customers primarily as a prime contractor or subcontractor on a broad portfolio of defense and related programs for government customers. Our business mix also reflects the combination of shorter cycles in our commercial aerospace spares contracts and certain service contracts in our defense business, and longer cycles in our aerospace OEM and aftermarket maintenance contracts and on our defense contracts to design, develop, manufacture, or modify complex equipment. Our customers are in the public and private sectors, and our businesses reflect an extensive geographic diversification that has evolved with continued globalization.

Government legislation, policies, and regulations can impact our business and operations. Changes in environmental and climate change-related laws or regulations, including regulations on greenhouse gas emissions, carbon pricing, and energy taxes, could lead to new or additional investment in product designs and facility upgrades and could increase our operational and environmental compliance expenditures, including increased energy and raw materials costs and costs associated with manufacturing changes. In addition, government and industry-driven safety and performance regulations, restrictions on aircraft engine noise and emissions, government imposed travel restrictions, and government procurement practices can impact our businesses.

Collins and Pratt & Whitney serve both commercial and government aerospace customers. Revenue passenger miles (RPMs), available seat miles, and the general economic health of airline carriers are key barometers for our commercial aerospace operations. Performance in the general aviation sector is closely tied to the overall health of the economy and is positively correlated to corporate profits. Many of our aerospace customers are covered under long-term aftermarket service agreements at both Collins and Pratt & Whitney, which are inclusive of both spare parts and services.

Our defense operations are affected by U.S. Department of Defense (DoD) budget and spending levels, changes in demand, changes in policy positions or priorities, the domestic and global political and economic environment, and the evolving nature of the global and national security threat environment. In addition, our defense businesses engage in both direct commercial sales, which generally require U.S. government licenses and approvals, as well as foreign military sales, which are government-to-government transactions initiated by, and carried out at the direction of, the U.S. government. Changes in these budget and spending levels, policies, or priorities, which are subject to U.S. domestic and foreign geopolitical risks and threats, may impact our defense businesses, including the timing of and delays in U.S. government licenses and approvals for sales, the risk of sanctions, or other restrictions.

Other Matters

Global economic and political conditions, changes in raw material and commodity prices and supply, labor availability and costs, inflation, interest rates, international and domestic tax law changes, foreign currency exchange rates, energy costs and supply, levels of air travel, the financial condition of commercial airlines, and the impact from natural disasters and weather conditions create uncertainties that could impact our businesses.

Pratt & Whitney Powder Metal Matter. As described further in “Note 15: Commitments and Contingencies,” within Item 1

of this Form 10-Q, Pratt & Whitney has determined that a rare condition in powder metal used to manufacture certain engine parts requires accelerated inspection of the PW1100G-JM (PW1100) Geared Turbofan (GTF) fleet, which powers the A320neo family of aircraft (A320neo) (herein referred to as the “Powder Metal Matter”).

Global Supply Chain and Labor Markets. Ongoing global supply chain and labor market constraints continue to include materials and parts shortages, including raw material, microelectronics, and commodity shortages, as well as delivery delays, labor shortages, distribution problems, and price increases. Current geopolitical conditions, including sanctions and other trade restrictive activities and strained intercountry relations, are contributing to these issues. We have had difficulties procuring necessary materials, including raw materials, components, and other supplies, and services on a timely basis or at all. We have also had difficulties hiring qualified personnel, particularly personnel with specialized engineering experience and security clearances. Our suppliers and subcontractors have been impacted by the same issues, compounding the shortages for us because we rely on them, sometimes as sole-source providers. In addition, the ongoing recovery in commercial air travel has increased demand for our products and services and added to these supply chain and labor market challenges. We work continuously to mitigate the effects of these supply chain and labor constraints through a number of targeted activities and ongoing programs. However, the timing as to when our supply chain and labor challenges will abate is uncertain and subject to a wide range of factors and future developments.

U.S. Government’s Continuing Resolution. On September 30, 2023, President Biden signed a continuing resolution that funds federal agencies until November 17, 2023. A continuing resolution authorizes federal agencies to operate generally at the same funding levels from the prior year, but typically does not authorize new spending initiatives during this period. If Congress is unable to enact formal fiscal year 2024 appropriation bills by November 17, 2023, it may pass another continuing resolution. However, if Congress fails to pass the formal appropriations bills or a continuing resolution, then the U.S. government would shut down during which federal agencies would cease all non-essential functions.

In the event of a U.S. government shutdown, our business, program performance and results of operations could be impacted by the resulting disruptions to federal government offices, workers, and operations, including risks relating to the funding of certain programs, stop work orders, as well as delays in contract awards, new program starts, payments for work performed, and other actions. We also may experience similar impacts in the event of an extended period of continuing resolutions. Generally, the significance of these impacts will primarily be based on the length of the continuing resolution or shutdown. Furthermore, under the Fiscal Responsibility Act of 2023, which imposes limits on discretionary spending for defense and non-defense programs in exchange for the lifting of the debt ceiling in June 2023, if Congress fails to enact appropriation bills by April 30, 2024, then the budget caps will be reduced and corresponding automatic reductions to agency budget accounts will be enforced through sequestration.

Geopolitical Matters. In response to the Russian military’s invasion of Ukraine on February 24, 2022, the U.S. government and the governments of various jurisdictions in which we operate, including Canada, the United Kingdom, the European Union, and others, have imposed broad economic sanctions and export controls targeting specific industries, entities, and individuals in Russia. The Russian government has implemented similar counter-sanctions and export controls targeting specific industries, entities, and individuals in the U.S. and other jurisdictions in which we operate, including certain members of the Company’s management team and Board of Directors. These government measures, among other limitations, restrict transactions involving various Russian banks and financial institutions and impose enhanced export controls limiting transfers of various goods, software, and technologies to and from Russia, including broadened export controls specifically targeting the aerospace sector. These measures have adversely affected, and could continue to adversely affect, the Company and/or our supply chain, business partners, or customers; however, based on information available to date, we do not currently expect these issues will have a material adverse effect on our financial results. We will continue to monitor future developments, including additional sanctions and other measures, that could adversely affect the Company and/or our supply chain, business partners, or customers.

China previously announced that it may take measures against RTX in connection with certain foreign military sales to Taiwan. On February 16, 2023, China’s Ministry of Commerce announced that it has added Raytheon Missiles & Defense (RMD) (a former RTX business segment which became part of Raytheon as a result of the July 1, 2023 RTX segment realignment) to its “unreliable entities list” in connection with certain foreign military sales to Taiwan involving RMD’s products and services, and that it would impose certain sanctions against RMD, including a fine equal to twice the value of the arms that RMD has sold to Taiwan since September 2020. In addition, on September 16, 2022, China indicated that it decided to sanction our Chairman and Chief Executive Officer Gregory Hayes, in connection with another foreign military sale to Taiwan involving RTX products and services. RTX is not aware of any specific sanctions against Mr. Hayes. If China were to impose additional sanctions, enforce announced sanctions, or take other regulatory action against RTX, our suppliers, affiliates, or partners, it could potentially disrupt our business operations. Any impact of these or other potential sanctions or other actions by China is uncertain.

We have direct commercial sales contracts for products and services to certain foreign customers, for which U.S. government review and approval have been pending. The U.S. government's approval of these sales is subject to a range of factors, including its foreign policies related to these customers, which are subject to continuing review and potential changes. Likewise, regulatory approvals previously granted for prior sales can be paused or revoked if the products and services have not yet been delivered to the customer. In addition, certain programs require approvals by foreign governments and those approvals may not be obtained or may be revoked. If we ultimately do not receive all of the regulatory approvals, or those approvals are revoked, it could have a material effect on our financial results. In particular, as of September 30, 2023, our Contract liabilities include approximately \$390 million of advance payments received from a Middle East customer on contracts for which we no longer believe we will be able to execute on or obtain required regulatory approvals. These advance payments may become refundable to the customer if the contracts are ultimately terminated.

We are closely monitoring developments in the war between Israel and Hamas that began on October 7, 2023 including potential impacts to RTX's business, customers, suppliers, employees, and operations in Israel, the Middle East and elsewhere. At this time, impacts to RTX are uncertain and subject to change given the volatile nature of the situation.

Coronavirus Disease 2019 (COVID-19) Pandemic. The COVID-19 pandemic caused continuing negative effects on the global economy, our business and operations, the labor market, supply chains, inflation, and the industries in which we operate. We believe the long-term outlook for the aerospace industry remains positive due to the fundamental drivers of air travel demand. Our expectations regarding the negative effects of the COVID-19 pandemic and ongoing recovery and their potential financial impact are based on available information and assumptions that we believe are reasonable at this time; however, the actual financial impact is highly uncertain and subject to a wide range of factors and future developments.

See Part I, Item 1A, "Risk Factors" in our 2022 Annual Report on Form 10-K for further discussion of these items.

CRITICAL ACCOUNTING ESTIMATES

Preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Management believes the most complex and sensitive judgments, because of their significance to the Condensed Consolidated Financial Statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. See "Critical Accounting Estimates" within Item 7 and "Note 1: Basis of Presentation and Summary of Accounting Principles" within Item 8 of our 2022 Annual Report on Form 10-K, which describe the significant accounting estimates and policies used in preparation of the Consolidated Financial Statements. Actual results in these areas could differ from management's estimates. Other than disclosed below, there have been no significant changes to our critical accounting estimates during the nine months ended September 30, 2023.

Contingent Liabilities. As described in "Note 15: Commitments and Contingencies" within Item 1 of this Form 10-Q, contractual, regulatory and other matters in the normal course of business may arise that subject us to claims or litigation, including with respect to matters relating to technical issues on programs, government contracts, performance and operating cost guarantees, employee benefit plans, legal, and environmental, health and safety matters. In particular, the design, development, production and support of aerospace technologies is inherently complex and subject to risk. Technical issues associated with these technologies may arise in the normal course and may result in financial impacts, including increased warranty provisions, customer contract settlements, and changes in contract performance estimates. These impacts could be material to the Company's results of operations, financial condition, and liquidity. Additionally, we have significant contracts with the U.S. government, subject to government oversight and audit, which may require significant adjustment of contract prices. We accrue for liabilities associated with these matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. Estimating our liability based on both the likelihood of any adverse judgments or outcomes, and the costs associated with these matters, requires significant judgment. The inherent uncertainty related to the outcome of these matters could result in amounts materially different from any provisions made with respect to their resolution.

Pratt & Whitney has determined that a rare condition in powder metal used to manufacture certain engine parts requires accelerated inspection of the PW1100G-JM (PW1100) Geared Turbofan (GTF) fleet, which powers the A320neo family of aircraft (A320neo) (herein referred to as the "Powder Metal Matter"). This determination was made pursuant to Pratt & Whitney's safety management system.

On August 4, 2023, Pratt & Whitney issued a special instruction (SI), to operators of PW1100 GTF powered A320neo aircraft, which required accelerated inspections and engine removals covering an initial subset of operational engines, no later than September 15, 2023. During the third quarter, through its safety management system, Pratt & Whitney continued its engineering and industrial assessment which resulted in an updated fleet management plan for the remaining PW1100 fleet. This updated plan requires a repetitive inspection protocol for high pressure turbine disks as well as part life limits for high pressure turbine disks and high pressure compressor disks. This fleet management plan is expected to be released in one or more service bulletins (SB) beginning in the fourth quarter of 2023, following alignment with regulators. The actions set forth

in the SI and SBs are expected to result in significant incremental shop visits through the end of 2026. These incremental shop visits are above Pratt & Whitney's prior estimates as of June 30, 2023. As a result, Pratt & Whitney expects a significant increase in aircraft on ground levels for the PW1100 powered A320neo fleet through 2026.

As a result of anticipated increased aircraft on ground levels and expected compensation to customers for this disruption, as well as incremental maintenance costs resulting from increased inspections and shop visits, RTX recorded a pre-tax operating profit charge in the third quarter of 2023 of \$2.9 billion, reflecting Pratt & Whitney's net 51% program share of the PW1100 program. This reflects our current best estimate of expected customer compensation for the estimated duration of the disruption as well as the third quarter Estimate-at-Completion (EAC) adjustment impact of this matter to Pratt & Whitney's long-term maintenance contracts. The incremental costs to the business's long-term maintenance contracts include the estimated cost of additional inspections, replacement of parts, and other related impacts.

The \$2.9 billion charge is reflected in the Condensed Consolidated Statement of Operations as a reduction of sales of \$5.4 billion which was partially offset by a net reduction of cost of sales of \$2.5 billion primarily representing our partners' 49% share of this charge. This resulted in a net increase in Other accrued liabilities of \$2.8 billion, which principally relates to our 51% share of an accrual for expected customer compensation. While the timing of settlement is subject to a number of variables, we expect the \$2.8 billion of Other accrued liabilities to be paid consistent with the timing of execution of the fleet management plan and period of increased aircraft on ground levels referenced above.

While Pratt & Whitney continues to evaluate the impact of this powder metal issue on other engine models within its fleet, we do not currently believe there will be any significant financial impact with respect to these other engine models. The financial impact of the powder metal issue is based on historical experience and is subject to various assumptions and judgments, most notably, the number and expected timing of shop visits, inspection results and scope of work to be performed, turnaround time, availability of new parts, available capacity at overhaul facilities and outcomes of negotiations with impacted customers. While these assumptions reflect our best estimates at this time, they are subject to variability. Potential changes to these assumptions and actual incurred costs could significantly affect the estimates inherent in our financial statements and could have a material effect on the Company's results of operations for the periods in which they are recognized.

RESULTS OF OPERATIONS

As described in our "Cautionary Note Concerning Factors That May Affect Future Results" of this Form 10-Q, our interim period results of operations and period-to-period comparisons of our results, particularly at a segment level, may not be indicative of our future operating results. The following discussions of comparative results among periods, including the discussion of segment results, should be viewed in this context.

We provide the organic change in Net sales and Cost of sales for our consolidated results of operations as well as the organic change in Net sales and Operating profit for our segments. We believe that these non-Generally Accepted Accounting Principles (non-GAAP) measures are useful to investors because they provide transparency to the underlying performance of our business, which allows for better year-over-year comparability. The organic change in Net sales, Cost of sales, and Operating profit excludes acquisitions and divestitures, net, and the effect of foreign currency exchange rate translation fluctuations and other significant non-operational items and/or significant operational items that may occur at irregular intervals (Other). Additionally, the organic change in Cost of sales and Operating profit excludes restructuring costs, the FAS/CAS operating adjustment, and costs related to certain acquisition accounting adjustments. Restructuring costs generally arise from severance related to workforce reductions and facility exit costs. We are continuously evaluating our cost structure and have implemented restructuring actions in an effort to keep our cost structure competitive. Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment.

Net Sales

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 13,464	\$ 16,951	\$ 48,993	\$ 48,981

The factors contributing to the change year-over-year in total net sales for the quarter and nine months ended September 30, 2023 are as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30, 2023	Nine Months Ended September 30, 2023
Organic ⁽¹⁾	\$ 2,000	\$ 5,609
Acquisitions and divestitures, net	(29)	(111)
Other	(5,458)	(5,486)
Total change	\$ (3,487)	\$ 12

(1) See “Results of Operations” for definition of organic. A reconciliation of this measure to the reported U.S. GAAP amount is provided in the table above.

Net sales increased \$2.0 billion organically in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily due to higher organic sales of \$0.9 billion at Collins, \$0.9 billion at Pratt & Whitney, and \$0.2 billion at Raytheon.

Other sales decreased \$5.5 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily driven by the net sales charge of \$5.4 billion associated with the Powder Metal Matter.

Net sales increased \$5.6 billion organically in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily due to higher organic sales of \$2.4 billion at Collins, \$2.4 billion at Pratt & Whitney, and \$1.0 billion at Raytheon.

Other sales decreased \$5.5 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily driven by the net sales charge of \$5.4 billion associated with the Powder Metal Matter.

See “Segment Review” below for further information by segment.

<i>(dollars in millions)</i>	Quarter Ended September 30,		% of Total Net Sales	
	2023	2022	2023	2022
Net Sales				
Products	\$ 8,615	\$ 12,756	64.0 %	75.3 %
Services	4,849	4,195	36.0 %	24.7 %
Total net sales	\$ 13,464	\$ 16,951	100 %	100 %

Refer to “Note 17: Segment Financial Data” within Item 1 of this Form 10-Q for the composition of external net sales by products and services by segment.

Net products sales decreased \$4.1 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily driven by a net sales charge of \$5.3 billion associated with the Powder Metal Matter, partially offset by increases in external products sales of \$0.6 billion at Pratt & Whitney and \$0.6 billion at Collins.

Net services sales increased \$0.7 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily due to increases in external services sales of \$0.3 billion at Collins, \$0.3 billion at Pratt & Whitney, and \$0.2 billion at Raytheon, partially offset by a net sales charge of \$0.1 billion associated with the Powder Metal Matter.

<i>(dollars in millions)</i>	Nine Months Ended September 30,		% of Total Net Sales	
	2023	2022	2023	2022
Net Sales				
Products	\$ 34,813	\$ 36,876	71.1 %	75.3 %
Services	14,180	12,105	28.9 %	24.7 %
Total net sales	\$ 48,993	\$ 48,981	100 %	100 %

Net products sales decreased \$2.1 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily driven by a net sales charge of \$5.3 billion associated with the Powder Metal Matter, partially offset by increases in external products sales of \$1.5 billion at Collins, \$1.3 billion at Pratt & Whitney, and \$0.5 billion at Raytheon.

Net services sales increased \$2.1 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 due to increases in external services sales of \$1.1 billion at Pratt & Whitney, \$0.6 billion at Collins, and \$0.4 billion at Raytheon, partially offset by a net sales charge of \$0.1 billion associated with the Powder Metal Matter.

Our sales to major customers were as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		% of Total Net Sales	
	2023	2022	2023	2022
Sales to the U.S. government ⁽¹⁾	\$ 7,678	\$ 7,555	57.0 %	44.6 %
Foreign military sales through the U.S. government	1,317	1,275	9.8 %	7.5 %
Foreign government direct commercial sales	1,020	1,064	7.6 %	6.3 %
Commercial aerospace and other commercial sales ⁽²⁾	3,449	7,057	25.6 %	41.6 %
Total net sales	\$ 13,464	\$ 16,951	100 %	100 %

(1) Excludes foreign military sales through the U.S. government.

(2) Includes the reduction in sales from the Powder Metal Matter.

<i>(dollars in millions)</i>	Nine Months Ended September 30,		% of Total Net Sales	
	2023	2022	2023	2022
Sales to the U.S. government ⁽¹⁾	\$ 23,193	\$ 22,452	47.3 %	45.8 %
Foreign military sales through the U.S. government	3,820	3,632	7.8 %	7.4 %
Foreign government direct commercial sales	3,113	3,118	6.4 %	6.4 %
Commercial aerospace and other commercial sales ⁽²⁾	18,867	19,779	38.5 %	40.4 %
Total net sales	\$ 48,993	\$ 48,981	100 %	100 %

(1) Excludes foreign military sales through the U.S. government.

(2) Includes the reduction in sales from the Powder Metal Matter.

<i>(dollars in millions)</i>	Cost of Sales			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total cost of sales	\$ 12,750	\$ 13,464	\$ 40,913	\$ 38,880
Percentage of net sales	94.7 %	79.4 %	83.5 %	79.4 %

The factors contributing to the change year-over-year in total cost of sales for the quarter and nine months ended September 30, 2023 are as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30, 2023	Nine Months Ended September 30, 2023
Organic ⁽¹⁾	\$ 1,633	\$ 4,446
Acquisitions and divestitures, net	(28)	(101)
Restructuring	45	87
FAS/CAS operating adjustment	67	175
Acquisition accounting adjustments	36	86
Other	(2,467)	(2,660)
Total change	\$ (714)	\$ 2,033

(1) See “Results of Operations” for definition of organic. A reconciliation of this measure to the reported U.S. GAAP amount is provided in the table above.

The organic increase in total cost of sales of \$1.6 billion for the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022, was primarily driven by the organic sales increases at Pratt & Whitney, Collins, and Raytheon noted above.

Other cost of sales decreased \$2.5 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily driven by a net reduction in cost of sales of \$2.5 billion primarily reflecting our partners’ 49% share of the Powder Metal Matter.

The organic increase in total cost of sales of \$4.4 billion for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, was primarily driven by the organic sales increases at Pratt & Whitney, Collins, and Raytheon noted above.

Other cost of sales decreased \$2.7 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily driven by a net reduction in cost of sales of \$2.5 billion primarily reflecting our partners’ 49% share of the Powder Metal Matter.

Restructuring actions relate to ongoing cost reduction efforts including workforce reductions and the consolidation of facilities.

For further discussion on FAS/CAS operating adjustment, see the “FAS/CAS operating adjustment” subsection under the “Segment Review” section below. For further discussion on Acquisition accounting adjustments, see the “Acquisition accounting adjustments” subsection under the “Segment Review” section below.

<i>(dollars in millions)</i>	Quarter Ended September 30,		% of Total Net Sales	
	2023	2022	2023	2022
Cost of sales				
Products	\$ 9,289	\$ 10,493	69.0 %	61.9 %
Services	3,461	2,971	25.7 %	17.5 %
Total cost of sales	\$ 12,750	\$ 13,464	94.7 %	79.4 %

Net products cost of sales decreased \$1.2 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022, primarily driven by a net reduction in cost of sales of \$2.5 billion primarily reflecting our partners’ 49% share of the Powder Metal Matter. This was partially offset by increases in external products cost of sales at Pratt & Whitney, Collins, and Raytheon, all driven by the products sales changes noted above.

Net services cost of sales increased \$0.5 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022, primarily due to increases in external services cost of sales at Pratt & Whitney and Collins, all driven by the services sales changes noted above.

<i>(dollars in millions)</i>	Nine Months Ended September 30,		% of Total Net Sales	
	2023	2022	2023	2022
Cost of sales				
Products	\$ 31,078	\$ 30,353	63.4 %	62.0 %
Services	9,835	8,527	20.1 %	17.4 %
Total cost of sales	\$ 40,913	\$ 38,880	83.5 %	79.4 %

Net products cost of sales increased \$0.7 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily driven by increases in external products cost of sales at Pratt & Whitney, Collins, and Raytheon, all driven by the products sales changes noted above, partially offset by a decrease in net products cost of sales driven by a net reduction in cost of sales of \$2.5 billion primarily reflecting our partners' 49% share of the Powder Metal Matter.

Net services cost of sales increased \$1.3 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily due to increases in external services cost of sales at Pratt & Whitney, Collins, and Raytheon, all driven by the services sales changes noted above.

Research and Development

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Company-funded	\$ 712	\$ 662	\$ 2,048	\$ 1,995
Percentage of net sales	5.3 %	3.9 %	4.2 %	4.1 %
Customer-funded ⁽¹⁾	\$ 1,107	\$ 1,125	\$ 3,417	\$ 3,300
Percentage of net sales	8.2 %	6.6 %	7.0 %	6.7 %

(1) Included in cost of sales in our Condensed Consolidated Statement of Operations.

Research and development spending is subject to the variable nature of program development schedules and, therefore, year-over-year fluctuations in spending levels are expected.

The increase in company-funded research and development of \$50 million for the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily driven by increased spending on commercial program development at Pratt & Whitney and higher program expenses at Collins.

Customer-funded research and development for the quarter ended September 30, 2023 was relatively consistent with the quarter ended September 30, 2022.

The increase in company-funded research and development of \$53 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily driven by increased spending on commercial program development at Pratt & Whitney and higher program expenses at Collins, partially offset by decreased spend on the Lower Tier Air and Missile Defense Sensor (LTAMDS) program.

The increase in customer-funded research and development of \$117 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily driven by higher expenses on various military and commercial programs at Collins and increased spending at Pratt & Whitney on military programs, partially offset by lower expenses on various programs at Raytheon.

Selling, General and Administrative

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Selling, general and administrative	\$ 1,401	\$ 1,351	\$ 4,364	\$ 4,184
Percentage of net sales	10.4 %	8.0 %	8.9 %	8.5 %

Selling, general and administrative expenses increased \$50 million in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022, primarily driven by an increase in restructuring costs, increased employee-related costs, and increased portfolio and segment realignment costs.

Selling, general and administrative expenses increased \$180 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily driven by a charge at our Pratt & Whitney segment related to a customer

insolvency in the second quarter of 2023, increased employee-related costs, an increase in restructuring costs, and increased portfolio and segment realignment costs, partially offset by the absence of \$71 million of charges recorded in the first quarter of 2022 related to increased estimates for credit losses due to global sanctions on and export controls with respect to Russia. See “Note 1: Basis of Presentation” within Item 1 of this Form 10-Q for additional information on Russia sanctions.

We are continuously evaluating our cost structure and have implemented restructuring actions in an effort to keep our cost structure competitive. Therefore, the amounts reflected above include the beneficial impact of previous restructuring actions on Selling, general and administrative expenses.

<i>(dollars in millions)</i>	<u>Other Income, Net</u>			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Other income, net	\$ 3	\$ 46	\$ 116	\$ 91

Other income, net includes equity earnings in unconsolidated entities, royalty income, foreign exchange gains and losses, and other ongoing and non-recurring items.

The decrease in Other income, net of \$43 million for the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to a net unfavorable year-over-year impact of foreign exchange gains and losses.

The increase in Other income, net of \$25 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to the absence of \$69 million of charges associated with the disposition of two non-core businesses at Collins in the second quarter of 2022 and a \$68 million gain on sale of land during the first quarter of 2023, partially offset by a net unfavorable year-over-year impact of foreign exchange gains and losses.

<i>(dollars in millions)</i>	<u>Operating Profit (Loss)</u>			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating profit (loss)	\$ (1,396)	\$ 1,520	\$ 1,784	\$ 4,013
Operating profit (loss) margin	(10.4)%	9.0 %	3.6 %	8.2 %

The change in Operating profit (loss) of \$2.9 billion for the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily driven by the charges associated with the Powder Metal Matter.

The change in Operating profit (loss) of \$2.2 billion for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily driven by the charges associated with the Powder Metal Matter, and the change in our FAS/CAS operating adjustment, partially offset by an increase in Operating profit due to the remaining operating performance of our segments, all of which are described below in “Segment Review.”

<i>(dollars in millions)</i>	<u>Non-service Pension Income</u>			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Non-service pension income	\$ (443)	\$ (468)	\$ (1,334)	\$ (1,422)

The change in Non-service pension income of \$25 million for the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily driven by an increase in interest rates during 2022 and prior years’ pension asset returns less than our expected return on plan assets (EROA) assumption, partially offset by an increase in our 2023 EROA assumption.

The change in Non-service pension income of \$88 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily driven by an increase in interest rates during 2022 and prior years’ pension asset returns less than our EROA assumption, partially offset by an increase in our 2023 EROA assumption.

<i>(dollars in millions)</i>	<i>Interest Expense, Net</i>			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Interest expense	\$ 391	\$ 326	\$ 1,102	\$ 968
Interest income	(19)	(10)	(46)	(54)
Other non-operating expense (income) ⁽¹⁾	(3)	(5)	(39)	44
Interest expense, net	\$ 369	\$ 311	\$ 1,017	\$ 958
Average interest expense rate	4.2 %	4.0 %	4.1 %	4.0 %

(1) Primarily consists of the gains or losses on assets associated with certain of our nonqualified deferred compensation and employee benefit plans, as well as the gains or losses on liabilities associated with certain of our nonqualified deferred compensation plans and non-operating dividend income.

Interest expense, net increased \$58 million in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022. The increase in Interest expense of \$65 million was primarily due to the long-term debt issuance in the first quarter of 2023 and the increase in commercial paper activity in 2023.

Interest expense, net increased \$59 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase in Interest expense of \$134 million was primarily due to the long-term debt issuance in the first quarter of 2023 and the increase in commercial paper activity in 2023. The change in Other non-operating expense (income) of \$83 million was primarily driven by a change in the mark-to-market fair value of marketable securities held in trusts associated with certain of our nonqualified deferred compensation and employee benefit plans and an increase in dividend income.

	<i>Income Taxes</i>			
	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Effective income tax rate	29.4 %	16.8 %	9.2 %	13.8 %

Our effective tax rate for the quarter and nine months ended September 30, 2023 was 29.4% and 9.2%, respectively, as compared to 16.8% and 13.8% for the quarter and nine months ended September 30, 2022, respectively. The change in our effective tax rate for the quarter and nine months ended September 30, 2023 primarily relates to a \$2.9 billion charge related to the Powder Metal Matter. We recorded a deferred income tax benefit related to this charge of \$663 million. The remaining change is primarily driven by a higher forecasted annualized effective tax rate for 2023 principally due to a lower forecasted Foreign Derived Intangible Income (FDII) benefit.

Net Income (Loss) from Continuing Operations Attributable to Common Shareowners

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Net income (loss) from continuing operations attributable to common shareowners	\$ (984)	\$ 1,387	\$ 1,769	\$ 3,794			
Diluted earnings (loss) per share from continuing operations	\$ (0.68)	\$ 0.94	\$ 1.21	\$ 2.55				

Net loss from continuing operations attributable to common shareowners for the quarter ended September 30, 2023 includes the following:

- charge associated with the Powder Metal Matter of \$2.2 billion, net of tax and partner share, which had an unfavorable impact on diluted earnings (loss) per share (EPS) from continuing operations of \$1.53; and
- acquisition accounting adjustments of \$406 million, net of tax, which had an unfavorable impact on diluted EPS from continuing operations of \$0.28.

Net income from continuing operations attributable to common shareowners for the quarter ended September 30, 2022 includes the following:

- acquisition accounting adjustments of \$379 million, net of tax, which had an unfavorable impact on diluted EPS from continuing operations of \$0.26.

Net loss from continuing operations attributable to common shareowners for the nine months ended September 30, 2023 includes the following:

- charge associated with the Powder Metal Matter of \$2.2 billion, net of tax and partner share, which had an unfavorable impact on diluted EPS from continuing operations of \$1.52;

- acquisition accounting adjustments of \$1,175 million, net of tax, which had an unfavorable impact on diluted EPS from continuing operations of \$0.80; and
- charges on our contract assets and customer financing assets related to a customer insolvency of \$114 million, net of tax and noncontrolling interest, which had an unfavorable impact on diluted EPS from continuing operations of \$0.08.

Net income from continuing operations attributable to common shareowners for the nine months ended September 30, 2022 includes the following:

- acquisition accounting adjustments of \$1,107 million, net of tax, which had an unfavorable impact on diluted EPS from continuing operations of \$0.74; and
- impairment charges and reserve adjustments related to the global sanctions on, and export controls with respect to, Russia of \$210 million, net of tax, which had an unfavorable impact on diluted EPS from continuing operations of \$0.14.

Net Income (Loss) Attributable to Common Shareowners

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) attributable to common shareowners	\$ (984)	\$ 1,387	\$ 1,769	\$ 3,775
Diluted earnings (loss) per share from operations	\$ (0.68)	\$ 0.94	\$ 1.21	\$ 2.54

The change in net income (loss) attributable to common shareowners and diluted earnings (loss) per share from operations for the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 and for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily driven by the change in continuing operations, as discussed above.

SEGMENT REVIEW

As previously announced, effective July 1, 2023, we streamlined the structure of our core businesses to three principal business segments: Collins Aerospace (Collins), Pratt & Whitney, and Raytheon. All segment information is reflective of this new structure and prior period information has been recast to conform to our current period presentation. Segments are generally based on the management structure of the businesses and the grouping of similar operations, based on capabilities and technologies, where each management organization has general operating autonomy over diversified products and services. Segment total net sales and operating profit include intercompany sales and profit, which are ultimately eliminated within Eliminations and other, which also includes certain smaller non-reportable segments. Segment results exclude certain acquisition accounting adjustments, the FAS/CAS operating adjustment, and certain corporate expenses, as further discussed below.

Given the nature of our business, we believe that total net sales and operating profit (loss) (and the related operating profit (loss) margin percentage), which we disclose and discuss at the segment level, are most relevant to an understanding of management's view of our segment performance, as described below.

We provide the organic change in Net sales and Operating profit (loss) for our segments as discussed above in "Results of Operations." We believe that these non-GAAP measures are useful to investors because they provide transparency to the underlying performance of our business, which allows for better year-over-year comparability. For Pratt & Whitney only, Other also includes the transactional impact of foreign exchange hedging at Pratt & Whitney Canada due to its significance to Pratt & Whitney's overall operating results.

Total Net Sales. Total net sales by segment were as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Collins Aerospace	\$ 6,629	\$ 5,718	\$ 19,133	\$ 16,821
Pratt & Whitney ⁽¹⁾	926	5,380	11,857	14,878
Raytheon	6,472	6,308	19,464	18,515
Total segment	14,027	17,406	50,454	50,214
Eliminations and other	(563)	(455)	(1,461)	(1,233)
Consolidated	\$ 13,464	\$ 16,951	\$ 48,993	\$ 48,981

(1) Includes the reduction in sales from the Powder Metal Matter.

Operating Profit (Loss). Operating profit (loss) by segment was as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Collins Aerospace	\$ 903	\$ 742	\$ 2,699	\$ 1,973
Pratt & Whitney ⁽¹⁾	(2,482)	316	(1,837)	769
Raytheon	560	686	1,775	1,920
Total segment	(1,019)	1,744	2,637	4,662
Eliminations and other	(69)	(13)	(34)	(25)
Corporate expenses and other unallocated items ⁽²⁾	(63)	(77)	(165)	(255)
FAS/CAS operating adjustment	272	348	845	1,045
Acquisition accounting adjustments	(517)	(482)	(1,499)	(1,414)
Consolidated	\$ (1,396)	\$ 1,520	\$ 1,784	\$ 4,013

(1) Includes the impacts from the Powder Metal Matter.

(2) 2022 included the net expenses related to the U.S. Army's LTAMDS program. Beginning in 2023, LTAMDS results are included in the Raytheon segment.

Included in segment operating profit (loss) are Estimate at Completion (EAC) adjustments, which relate to changes in operating profit and margin due to revisions to total estimated revenues and costs at completion. These changes may reflect improved or deteriorated operating performance, as well as changes in facts and assumptions related to contract options, contract modifications, incentive and award fees associated with program performance, customer activity levels, and other customer-directed changes. For a full description of our EAC process, refer to "Note 4: Changes in Contract Estimates at Completion" within Item 1 of this Form 10-Q. Given that we have thousands of individual contracts, and given the types and complexity of the assumptions and estimates we must make on an on-going basis, and the nature of the work required to be performed under our contracts, we have both favorable and unfavorable EAC adjustments in the ordinary course.

We had the following aggregate EAC adjustments for the periods presented:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Gross favorable	\$ 247	\$ 339	\$ 851	\$ 1,002
Gross unfavorable	(526)	(332)	(1,284)	(1,000)
Total net EAC adjustments	\$ (279)	\$ 7	\$ (433)	\$ 2

The change in net EAC adjustments of \$286 million in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to unfavorable changes in net EAC adjustments at Pratt & Whitney and Raytheon, including the unfavorable impact of \$133 million recorded at Pratt & Whitney in the quarter ended September 30, 2023 as a result of increased cost to our aftermarket contracts resulting from the Powder Metal Matter.

The change in net EAC adjustments of \$435 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to unfavorable changes in net EAC adjustments at Pratt & Whitney, including the unfavorable impact of \$133 million recorded at Pratt & Whitney in the quarter ended September 30, 2023 as a result of increased cost to our aftermarket contracts resulting from the Powder Metal Matter. The change in net EAC adjustments also includes the absence of a \$50 million favorable contract adjustment resulting from a contract modification on a commercial aftermarket program in the second quarter of 2022.

Significant EAC adjustments, when they occur, are discussed in each business segment's discussion below.

Backlog and Bookings. Total backlog was approximately \$190 billion and \$175 billion as of September 30, 2023 and December 31, 2022, respectively, which includes defense backlog of \$75 billion and \$69 billion as of September 30, 2023 and December 31, 2022, respectively. Our defense operations consist primarily of our Raytheon business and operations in the defense businesses within our Collins and Pratt & Whitney segments. Defense bookings were approximately \$12 billion and \$12 billion for the quarters ended September 30, 2023 and 2022, and approximately \$37 billion and \$34 billion for the nine months ended September 30, 2023 and 2022, respectively.

Bookings are impacted by the timing and amounts of awards in a given period, which are subject to numerous factors, including: the desired capability by the customer and urgency of customer needs, customer budgets and other fiscal constraints, political and economic and other environmental factors, the timing of customer negotiations, and the timing of customer and

governmental approvals and notifications. In addition, due to these factors, quarterly bookings tend to fluctuate from period to period, particularly on a segment basis.

Collins Aerospace

<i>(dollars in millions)</i>	Quarter Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change	2023	2022	Change
Net sales	\$ 6,629	\$ 5,718	16 %	\$ 19,133	\$ 16,821	14 %
Operating profit	903	742	22 %	2,699	1,973	37 %
Operating profit margins	13.6 %	13.0 %		14.1 %	11.7 %	

Quarter Ended September 30, 2023 Compared with Quarter Ended September 30, 2022

<i>(dollars in millions)</i>	Factors Contributing to Total Change					Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other		
Net sales	\$ 945	\$ (2)	\$ —	\$ (32)	\$	911
Operating profit	299	—	(50)	(88)		161

(1) See “Segment Review” above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic sales increase of \$0.9 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily relates to higher commercial aerospace aftermarket sales of \$0.6 billion, including increases across all aftermarket sales channels. These increases were principally driven by the continued recovery of commercial air traffic which has resulted in an increase in flight hours. Commercial aerospace OEM sales increased \$0.4 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily due to increased production rates within both narrow-body and wide-body aircraft. Military sales decreased \$0.1 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 primarily due to the timing of deliveries.

The decrease in Other net sales in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to a \$57 million charge related to a litigation matter.

The organic operating profit increase of \$0.3 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to higher commercial aerospace operating profit of \$0.4 billion, principally driven by the higher sales volume discussed above. This increase in commercial aerospace operating profit was partially offset by higher production costs, unfavorable military mix, and higher selling, general, and administrative expenses primarily due to increased employee-related costs.

The decrease in Other operating profit of \$0.1 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to a charge related to the litigation matter discussed above.

Restructuring actions relate to ongoing cost reduction efforts including workforce reductions.

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

<i>(dollars in millions)</i>	Factors Contributing to Total Change					Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other		
Net sales	\$ 2,420	\$ (48)	\$ —	\$ (60)	\$	2,312
Operating profit	666	(2)	(53)	115		726

(1) See “Segment Review” above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic sales increase of \$2.4 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily relates to higher commercial aerospace aftermarket sales of \$1.6 billion, including increases across all aftermarket sales channels. These increases were principally driven by the continued recovery of commercial air traffic which has resulted in an increase in flight hours. Commercial aerospace OEM sales increased \$0.8 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 due to increased production rates in

narrow-body, wide-body, and business jets. Military sales were relatively consistent in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022.

The decrease in Other net sales in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to a \$57 million charge related to a litigation matter recorded in the third quarter of 2023.

The organic profit increase of \$0.7 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to higher commercial aerospace operating profit of \$1.0 billion, principally driven by the higher sales volume discussed above as well as favorable mix, partially offset by higher production costs. This increase in commercial aerospace operating profit was further offset by higher selling, general and administrative expenses primarily due to increased employee-related costs, and higher research and development costs primarily due to higher program expenses. Military operating profit decreased \$0.1 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily due to unfavorable mix and higher production costs.

The increase in Other operating profits of \$0.1 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to the absence of \$141 million of pretax charges recorded in the first quarter of 2022 related to global sanctions on and export controls with respect to Russia and the absence of \$69 million of charges associated with the disposition of two non-core businesses in the second quarter of 2022, partially offset by a charge in the third quarter of 2023 related to the litigation matter discussed above. See “Note 1: Basis of Presentation” within Item 1 of this Form 10-Q for additional information on Russia sanctions.

Restructuring actions relate to ongoing cost reduction efforts including workforce reductions.

Pratt & Whitney

<i>(dollars in millions)</i>	Quarter Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change	2023	2022	Change
Net sales	\$ 926	\$ 5,380	(83)%	\$ 11,857	\$ 14,878	(20)%
Operating profit (loss)	(2,482)	316	NM	(1,837)	769	NM
Operating profit (loss) margins	(268.0)%	5.9 %		(15.5)%	5.2 %	

NM = Not Meaningful

Quarter Ended September 30, 2023 Compared with Quarter Ended September 30, 2022

<i>(dollars in millions)</i>	Factors Contributing to Total Change					Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other		
Net sales	\$ 928	\$ —	\$ —	\$ (5,382)	\$ (4,454)	
Operating profit (loss)	83	—	(5)	(2,877)	(2,799)	

(1) See “Segment Review” above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic sales increase of \$0.9 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 reflects higher commercial aftermarket sales of \$0.5 billion, primarily due to an increase in volume, content, and favorable mix as the commercial aerospace environment continues to recover. The increase also includes higher commercial OEM sales of \$0.3 billion, primarily driven by volume and favorable mix on commercial engine shipments. Military sales were up \$0.1 billion primarily driven by higher F135 development and sustainment volume.

The Other sales decrease of \$5.4 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 is primarily due to the charge recognized in the third quarter related to the Powder Metal Matter.

The organic operating profit increase of \$0.1 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily driven by higher commercial aerospace operating profit of \$0.1 billion, principally due to the aftermarket sales volume increase and favorable mix discussed above, partially offset by lower commercial OEM operating profit driven by the volume increases noted above and higher production costs. Military operating profit was relatively consistent as the increases from the sales volume discussed above were offset by higher production costs and unfavorable mix.

The Other operating profit (loss) change of \$2.9 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 is primarily due to a charge recognized in the third quarter related to the Powder Metal Matter.

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

<i>(dollars in millions)</i>	Factors Contributing to Total Change				Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other	
Net sales	\$ 2,367	\$ —	\$ —	\$ (5,388)	\$ (3,021)
Operating profit (loss)	316	—	(46)	(2,877)	(2,607)

(1) See “Segment Review” above for definition of organic. A reconciliation of these measures to reported U.S. GAAP amounts is provided in the table above.

The organic sales increase of \$2.4 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 reflects higher commercial aftermarket sales of \$1.4 billion, primarily due to an increase in volume, content, and favorable mix as the commercial aerospace environment continues to recover. The increase also includes higher commercial OEM sales of \$0.7 billion, primarily driven by volume and favorable mix. Military sales increased \$0.2 billion, primarily due to higher F135 sustainment volume.

The Other sales decrease of \$5.4 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 is primarily due to the charge recognized in the third quarter related to the Powder Metal Matter.

The organic operating profit increase of \$0.3 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily driven by higher commercial aerospace operating profit of \$0.4 billion, principally due to the aftermarket sales increase discussed above, partially offset by lower commercial OEM operating profit driven by the volume increases noted above and higher production costs. Commercial aerospace operating profit for the nine months ended September 30, 2023 also benefited from two favorable contract matters totaling approximately \$120 million, which was partially offset by the absence of a prior year \$50 million favorable contract adjustment resulting from a contract modification on a commercial aftermarket contract in the nine months ended September 30, 2022. The increase in commercial aerospace operating profit was partially offset by higher research and development costs of \$0.1 billion. Military operating profit was relatively consistent as the increases from the sales volume discussed above were offset by higher production costs.

The Other operating profit (loss) change of \$2.9 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 is primarily due to the charge recognized in the third quarter related to the Powder Metal Matter and a \$181 million charge related to a customer insolvency during the second quarter of 2023, partially offset by the absence of a \$155 million charge recorded in the first quarter of 2022 related to impairment of customer financing assets for products under lease, increased estimates for credit losses, inventory reserves, and recognition of purchase order obligations, all due to global sanctions on and export controls with respect to Russia. See “Note 1: Basis of Presentation” within Item 1 of this Form 10-Q for additional information.

Restructuring actions relate to ongoing cost reduction efforts including the consolidation of facilities and workforce reductions.

Defense Bookings – In addition to a number of smaller bookings, in the quarter ended September 30, 2023, Pratt & Whitney booked \$1.1 billion for F135 sustainment and \$616 million for F135 production. In addition to these bookings, in the six months ended June 30 2023, Pratt & Whitney booked \$1.9 billion for F135 production Lots 15-17 and \$1.7 billion for F117 sustainment, \$308 million for F119 sustainment, \$217 million for tanker production Lots 8 and 9, and \$213 million for F135 sustainment.

Raytheon

<i>(dollars in millions)</i>	Quarter Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change	2023	2022	Change
Net sales	\$ 6,472	\$ 6,308	3 %	\$ 19,464	\$ 18,515	5 %
Operating profit	560	686	(18)%	1,775	1,920	(8)%
Operating profit margins	8.7 %	10.9 %		9.1 %	10.4 %	
Bookings	\$ 7,442	\$ 8,396	(11)%	\$ 22,750	\$ 21,823	4 %

Quarter Ended September 30, 2023 Compared with Quarter Ended September 30, 2022

(dollars in millions)	Factors Contributing to Total Change				Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other	
Net sales	\$ 189	\$ (27)	\$ —	\$ 2	\$ 164
Operating Profit	\$ (123)	\$ (1)	\$ (1)	\$ (1)	\$ (126)

(1) See “Segment Review” above for definition of organic. A reconciliation of this measure to the reported U.S. GAAP amount is provided in the table above.

The organic sales increase of \$0.2 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to higher net sales of \$0.2 billion from Naval Power programs and \$0.1 billion from Advanced Technology programs. The increase in Naval Power programs was due to higher volumes on AIM-9X and Naval Strike Missile (NSM) programs. The increase in Advanced Technology programs includes higher net sales on certain classified programs awarded in 2022.

The organic operating profit decrease of \$0.1 billion in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022, was primarily due to an unfavorable change in mix and other performance of \$0.1 billion and an unfavorable change in net EAC adjustments of \$52 million, partially offset by the higher volume noted above. The unfavorable change in mix and other performance was spread across numerous programs and includes higher volume on lower margin programs. The unfavorable change in net EAC adjustments was spread across numerous programs with no individual or common significant driver.

Nine Months Ended September 30, 2023 Compared with Nine Months Ended September 30, 2022

(dollars in millions)	Factors Contributing to Total Change				Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other	
Net sales	\$ 1,039	\$ (63)	\$ —	\$ (27)	\$ 949
Operating Profit	\$ (106)	\$ —	\$ (25)	\$ (14)	\$ (145)

(1) See “Segment Review” above for definition of organic. A reconciliation of this measure to the reported U.S. GAAP amount is provided in the table above.

The organic sales increase of \$1.0 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to higher net sales of \$0.3 billion from Advanced Technology programs, \$0.2 billion from Naval Power programs, \$0.2 billion from Air Power programs, and \$0.2 billion from Cybersecurity, Intelligence and Services programs. The increase in Advanced Technology programs includes higher net sales on certain classified programs awarded in 2022. The increase in Naval Power programs was due to higher volumes on AIM-9X and NSM programs. The increase in Air Power programs includes higher net sales on the Advanced Medium Range Air-to-Air Missile (AMRAAM) program, driven by an award in the second quarter of 2023. The increase in Cybersecurity, Intelligence and Services programs was driven by certain classified and federal and civil programs.

The organic operating profit decrease of \$0.1 billion in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to an unfavorable change in mix and other performance of \$0.2 billion, and an unfavorable net change in EAC adjustments of \$49 million, partially offset by higher volume. The unfavorable change in mix and other performance was primarily due to higher volume on lower margin programs and an expected decline in certain program volumes that resulted in an unfavorable impact to margins. The increase in volume was principally driven by the higher net sales discussed above. The net change in EAC adjustments was primarily due to \$51 million of unfavorable EAC adjustments related to significant contract options exercised in the nine months ended September 30, 2023.

Backlog and Bookings— Backlog was \$50 billion at September 30, 2023 and \$48 billion at December 31, 2022. In addition to a number of smaller bookings, in the quarter ended September 30, 2023, Raytheon booked \$1.9 billion on a number of classified contracts, including a major award, \$412 million on Next Generation Short Range Interceptor (NGSRI) for the U.S. Army, \$383 million to provide training and technical support for HAWK and Patriot Air Defense Systems for an international customer, \$368 million for Tube-Launched, Optically-Tracked, Wireless-Guided (TOW) Missiles for the U.S. Army, U.S. Marine Corps, and international customers, \$297 million to provide National Advanced Surface-to-Air Missile System (NASAMS) to Ukraine, and \$277 million on Excalibur for the U.S. Army and international customers. In addition to these bookings, in the six months ended June 30 2023 Raytheon booked \$3.5 billion on a number of classified contracts, \$1.2 billion for AMRAAM for the U.S. Air Force and Navy and international customers, \$1.2 billion to provide Patriot Air Defense system to Switzerland, \$650 million on Next Generation Jammer Mid-Band (NGJ-MB) for the U.S. Navy and the government of Australia, \$619 million on the SPY-6 Hardware Production and Sustainment contract for the U.S. Navy, \$332 million on cyber defense services contracts for certain federal and civil customers, \$320 million on StormBreaker for the U.S. Air Force and

Navy, \$275 million on a seven-vehicle missile tracking satellite constellation for the Space Development Agency, \$266 million to deliver airborne radars to an international customer, \$265 million for Javelin for the U.S. Army and international customers, \$251 million for AIM-9X Sidewinder short-range air-to-air missiles for the U.S. Navy and Air Force and international customers, \$237 million for CLEAVAR, an integrated U.S. Army Counter- Unmanned Aircraft Systems (C-UAS) defense system, \$234 million on Naval Strike Missiles (NSM) for the U.S. Navy, and \$212 million on Excalibur for the U.S. Army and international customers.

Corporate and Eliminations and other

Eliminations and other reflects the elimination of sales, other income, and operating profit transacted between segments, as well as the operating results of certain smaller operations.

Corporate expenses and other unallocated items consists of costs not considered part of management's evaluation of reportable segment operating performance, including certain unallowable costs and reserves. In addition, in 2022, net costs associated with corporate research and development related to the LTAMDS program were included in Corporate expenses and other unallocated items. Beginning in 2023, the remaining net costs associated with the LTAMDS program are within the Raytheon segment.

<i>(dollars in millions)</i>	Net Sales		Operating Profit	
	Quarter Ended September 30,		Quarter Ended September 30,	
	2023	2022	2023	2022
Eliminations and other	\$ (563)	\$ (455)	\$ (69)	\$ (13)
Corporate expenses and other unallocated items	—	—	(63)	(77)

The increase in eliminations and other sales of \$108 million in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to an increase in intersegment eliminations, principally driven by Collins.

The change in eliminations and other operating profit of \$56 million in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was primarily due to the impact of the September 2023 IRS notice related to the research and experimental expenditures capitalization.

Corporate expenses and other unallocated items operating profit in the quarter ended September 30, 2023 was relatively consistent with the quarter ended September 30, 2022.

<i>(dollars in millions)</i>	Net Sales		Operating Profit	
	Nine months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Eliminations and other	\$ (1,461)	\$ (1,233)	\$ (34)	\$ (25)
Corporate expenses and other unallocated items	—	—	(165)	(255)

The increase in eliminations and other sales of \$228 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to an increase in intersegment eliminations, principally driven by Collins.

Eliminations and other operating profit in the nine months ended September 30, 2023 was relatively consistent with the nine months ended September 30, 2022.

The decrease in Corporate expenses and other unallocated items of \$90 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, was primarily due to a decrease in expenses related to the LTAMDS program, which are included in the Raytheon segment beginning in 2023.

FAS/CAS operating adjustment

We present a FAS/CAS operating adjustment outside of segment results, which represents the difference between the service cost component of our pension and postretirement benefit (PRB) expense under the Financial Accounting Standards (FAS) requirements of U.S. GAAP and our pension and PRB expense under U.S. government Cost Accounting Standards (CAS) primarily related to our Raytheon segment. While the ultimate liability for pension and PRB costs under FAS and CAS is similar, the pattern of cost recognition is different. Over time, we generally expect to recover the related Raytheon pension and PRB liabilities through the pricing of our products and services to the U.S. government. Collins and Pratt & Whitney generally record pension and PRB expense on a FAS basis. In connection with the segment realignment, prior period results were recast in order to maintain the segment cost recognition patterns described above.

The components of the FAS/CAS operating adjustment were as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
FAS service cost (expense)	\$ (38)	\$ (84)	\$ (110)	\$ (253)
CAS expense	310	432	955	1,298
FAS/CAS operating adjustment	\$ 272	\$ 348	\$ 845	\$ 1,045

The change in our FAS/CAS operating adjustment of \$76 million in the quarter ended September 30, 2023 compared to the quarter ended September 30, 2022 was driven by a \$122 million decrease in CAS expense, partially offset by a \$46 million decrease in FAS service cost. The decrease in CAS expense was primarily due to changes to the Raytheon Company domestic pension plans announced in December 2020 that were effective December 31, 2022, and the recognition of historical CAS gain/loss experience. The decrease in FAS service cost was primarily due to changes to the Raytheon Company domestic pension plans announced in December 2020 that were effective December 31, 2022. Refer to "Note 9: Employee Benefit Plans" within Item 1 of this Form 10-Q for additional information on the Raytheon Company domestic pension plan change.

The change in our FAS/CAS operating adjustment of \$200 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was driven by a \$343 million decrease in CAS expense, partially offset by a \$143 million decrease in FAS service cost. The decrease in CAS expense was primarily due to changes to the Raytheon Company domestic pension plans announced in December 2020 that were effective December 31, 2022, and the recognition of historical CAS gain/loss experience. The decrease in FAS service cost was primarily due to changes to the Raytheon Company domestic pension plans announced in December 2020 that were effective December 31, 2022.

Acquisition accounting adjustments

Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment. These adjustments are not considered part of management's evaluation of segment results.

The components of Acquisition accounting adjustments were as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Amortization of acquired intangibles	\$ (527)	\$ (486)	\$ (1,518)	\$ (1,421)
Amortization of property, plant and equipment fair value adjustment	(14)	(20)	(45)	(73)
Amortization of customer contractual obligations related to acquired loss-making and below-market contracts	24	24	64	80
Acquisition accounting adjustments	\$ (517)	\$ (482)	\$ (1,499)	\$ (1,414)

Acquisition accounting adjustments related to acquisitions in each segment were as follows:

<i>(dollars in millions)</i>	Quarter Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Collins Aerospace	\$ (213)	\$ (217)	\$ (644)	\$ (653)
Pratt & Whitney	(92)	(72)	(218)	(168)
Raytheon	(212)	(193)	(637)	(593)
Total segment	(517)	(482)	(1,499)	(1,414)
Eliminations and other	—	—	—	—
Acquisition accounting adjustments	\$ (517)	\$ (482)	\$ (1,499)	\$ (1,414)

Acquisition accounting adjustments for the quarter and nine months ended September 30, 2023 were relatively consistent with the quarter and nine months ended September 30, 2022, respectively.

LIQUIDITY AND FINANCIAL CONDITION

<i>(dollars in millions)</i>	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 5,456	\$ 6,220
Total debt	35,260	31,914
Total equity	71,213	74,178
Total capitalization (total debt plus total equity)	106,473	106,092
Total debt to total capitalization	33 %	30 %

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing, and financing activities and the timing of such activities. Our principal source of liquidity is cash flows from operating activities. In addition to operating cash flows, other significant factors that affect our overall management of liquidity include: capital expenditures, customer financing requirements, investments in and divestitures of businesses, dividends, common stock repurchases, pension funding, access to the commercial paper markets, adequacy of available bank lines of credit, redemptions of debt, and the ability to attract long-term capital at satisfactory terms.

At September 30, 2023, we had cash and cash equivalents of \$5.5 billion, of which approximately 34% was held by RTX's foreign subsidiaries. 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. The Company does not intend to reinvest certain undistributed earnings of its international subsidiaries that have been previously taxed in the U.S. Taxes associated with the future remittance of these earnings have been recorded. For the remainder of the Company's undistributed international earnings, unless tax effective to repatriate, RTX will continue to permanently reinvest these earnings.

Our ability to access global debt markets and the related cost of these borrowings depends on the strength of our credit rating and market conditions. In August 2023, S&P Global downgraded our credit rating from A- / negative to BBB+ / stable. There has been no change in our credit rating with Moody's Investors Service since the merger and remains at Baa1 / stable. Though the Company expects to continue having adequate access to funds, further declines in our credit ratings or company outlook could result in higher borrowing costs.

As of September 30, 2023, we had a revolving credit agreement with various banks permitting aggregate borrowings of up to \$5.0 billion. This agreement was renewed in August 2023 and expires in August 2028. As of September 30, 2023, there were no borrowings outstanding under this agreement. The Company's \$2.0 billion revolving credit agreement scheduled to expire September 2023, was terminated in August 2023, and there were no outstanding borrowings at the time of termination.

From time to time, we use commercial paper borrowings for general corporate purposes, including the funding of potential acquisitions, pension contributions, debt refinancing, dividend payments, and repurchases of our common stock. The commercial paper notes have original maturities of not more than 364 days from the date of issuance. As of September 30, 2023, our maximum commercial paper borrowing limit was \$5.0 billion as the commercial paper is backed by our \$5.0 billion revolving credit agreement. We had \$1.0 billion of commercial paper borrowings outstanding at September 30, 2023. At September 30, 2023 short-term commercial paper borrowings outstanding had a weighted-average interest rate of 5.6%.

We had the following issuances of long-term debt during the nine months ended September 30, 2023:

Issuance Date	Description of Notes	Aggregate Principal Balance (in millions)
February 27, 2023	5.000% notes due 2026 ⁽¹⁾	\$ 500
	5.150% notes due 2033 ⁽¹⁾	1,250
	5.375% notes due 2053 ⁽¹⁾	1,250

We made the following repayment of long-term debt during the nine months ended September 30, 2023:

Repayment Date	Description of Notes	Aggregate Principal Balance (in millions)
August 16, 2023	3.650% notes due 2023 ⁽¹⁾	\$ 171

(1) The net proceeds from the issuances will be used to fund repayment at maturity of the 3.650% notes due August 16, 2023 and the 3.700% notes due December 15, 2023, with the remaining proceeds to be used for general corporate purposes.

On October 21, 2023, our Board of Directors authorized a \$10 billion accelerated share repurchase program (ASR), and on October 24, 2023 we entered into a \$10 billion bridge loan facility. The proceeds of the bridge loan facility are expected to be used to fund the ASR. We intend to repay the bridge loan with long-term debt. While the cost of borrowing combined with

expected increases in long-term debt to fund the ASR are expected to increase interest expense in future periods, we do not believe this will have any material impact on our liquidity.

We have an existing universal shelf registration statement, which we filed with the Securities and Exchange Commission (SEC) on September 22, 2022, for an indeterminate amount of debt and equity securities for future issuance, subject to our internal limitations on the amount of debt to be issued under this shelf registration statement.

The Company offers voluntary supply chain finance (SCF) programs with global financial institutions which enables our suppliers, at their sole discretion, to sell their receivables from the Company to the financial institutions at a rate that leverages our credit rating, which might be beneficial to them. Our suppliers' participation in the SCF programs does not impact or change our terms and conditions with those suppliers, and therefore, we have no economic interest in a supplier's decision to participate in the programs. In addition, we do not pay for any of the costs of the programs incurred by those suppliers that choose to participate, and have no direct financial relationship with the financial institutions, as it relates to sales of receivables made by those suppliers. As such, the SCF programs do not impact our working capital, cash flows, or overall liquidity.

We believe our cash on hand and future operating cash flows will be sufficient to meet our future operating cash needs. Further, we continue to have access to the commercial paper markets and our existing credit facilities, and our ability to obtain debt or equity financing, as well as the availability under committed credit lines, provides additional potential sources of liquidity should they be required or appropriate.

Cash Flow - Operating Activities

<i>(dollars in millions)</i>	Nine Months Ended September 30,	
	2023	2022
Net cash flows provided by operating activities from continuing operations	\$ 3,172	\$ 2,540

Net income from continuing operations for the nine months ended September 30, 2023 included a \$2.9 billion charge related to the Powder Metal Matter, which had no effect on cash flow in the period. This charge also had the effect of increasing Accrued liabilities by \$2.8 billion in the nine months ended September 30, 2023. Excluding the impact of this charge, the \$0.6 billion favorable change in cash flows provided by operating activities from continuing operations in the nine months ended September 30, 2023 compared to in the nine months ended September 30, 2022, is primarily driven by higher net income from continuing operations after adjustments for depreciation and amortization, deferred income tax benefit, stock compensation cost, and net periodic pension and other postretirement income. Also contributing to the change in cash flows provided by operating activities from continuing operations was a net decrease in tax payments further discussed below, and a net favorable change in contract assets and contract liabilities due to the timing of collections. These favorable changes were partially offset by higher accounts receivable as a result of increased sales volume and related factoring activity.

The Company enters into various factoring agreements with third-party financial institutions to sell certain of its receivables. Factoring activity resulted in an increase of approximately \$0.4 billion in cash provided by operating activities during the nine months ended September 30, 2023, compared to an increase of approximately \$1.5 billion in cash provided by operating activities during the nine months ended September 30, 2022. Factoring activity includes amounts factored on certain aerospace receivables at the customers' request for which we may be compensated by the customer.

We made net tax payments of \$1.3 billion and \$2.2 billion in the nine months ended September 30, 2023 and 2022, respectively.

Cash Flow - Investing Activities

<i>(dollars in millions)</i>	Nine Months Ended September 30,	
	2023	2022
Net cash flows used in investing activities from continuing operations	\$ (2,061)	\$ (1,891)

Our investing activities primarily include capital expenditures, cash investments in customer financing assets, investments in and dispositions of businesses, payments related to our collaboration intangible assets and contractual rights to provide product on new aircraft platforms, and settlements of derivative contracts not designated as hedging instruments.

The \$0.2 billion change in cash flows used in investing activities from continuing operations in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily related to an increase in other intangible assets and capital expenditures, both of which are described below, partially offset by the timing of our derivative contract settlements.

Capital expenditures in the nine months ended September 30, 2023 increased by \$177 million from the nine months ended September 30, 2022 primarily due to investments in production facilities across all our business segments.

Customer financing assets receipts, net were \$41 million and \$25 million in the nine months ended September 30, 2023 and 2022, respectively, and include leased asset pool activity as well as customer financing activity.

During the nine months ended September 30, 2023 and 2022, we increased other intangible assets by \$536 million and \$318 million, respectively, primarily related to collaboration payment commitments made under our 2012 agreement to acquire Rolls-Royce's collaboration interests in International Aero Engines AG (IAE) and exclusivity payments made on contractual commitments included within intangible assets.

As discussed in "Note 11: Financial Instruments" within Item 1 of this Form 10-Q, we enter into derivative instruments primarily for risk management purposes, including derivatives designated as hedging instruments and those utilized as economic hedges. 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 have used derivative instruments, including swaps, forward contracts, and options, to manage certain foreign currency, interest rate, and commodity price exposures. During the nine months ended September 30, 2023 and 2022, we had net cash payments of \$18 million and \$259 million, respectively, from the settlement of these derivative instruments not designated as hedging instruments.

Cash Flow - Financing Activities

<i>(dollars in millions)</i>	Nine Months Ended September 30,	
	2023	2022
Net cash flows used in financing activities from continuing operations	\$ (1,909)	\$ (3,010)

Our financing activities primarily include the issuance and repayment of commercial paper and other short-term and long-term debt, payment of dividends, and stock repurchases.

The \$1.1 billion change in cash flows used in financing activities from continuing operations in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, was primarily driven by long-term debt issuances of \$3.0 billion, partially offset by repayments of commercial paper, net, of \$1.6 billion, higher share repurchases of \$0.2 billion as discussed below, and repayment of long-term debt of \$0.2 billion. Refer to "Note 8: Borrowings and Lines of Credit" within Item 1 of this Form 10-Q for additional information on debt issuances and commercial paper.

On October 21, 2023, our Board of Directors authorized a share repurchase program for up to \$11 billion of our common stock, replacing the previous program announced on December 12, 2022. This \$11 billion share repurchase authorization is inclusive of authority to enter into a \$10 billion accelerated share repurchase program (ASR). Under the 2023 program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs, and under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended. We may also reacquire shares outside of the program in connection with the surrender of shares to cover taxes on vesting of restricted stock and as required under our employee savings plan. Our ability to repurchase shares is subject to applicable law.

Our share repurchases were as follows:

<i>(dollars in millions; shares in thousands)</i>	Nine Months Ended September 30,			
	2023		2022	
	\$	Shares	\$	Shares
Shares of common stock repurchased ⁽¹⁾	\$ 2,587	29,397	\$ 2,395	25,452

(1) Relates to share repurchases that were settled in cash during the period.

Our Board of Directors authorized the following cash dividends:

<i>(dollars in millions, except per share amounts)</i>	Nine Months Ended September 30,	
	2023	2022
Dividends paid per share of common stock	\$ 1.730	\$ 1.610
Total dividends paid	\$ 2,472	\$ 2,337

On June 5, 2023, the Board of Directors declared a dividend of \$0.59 per share payable September 7, 2023 to shareowners of record at the close of business on August 18, 2023. Also, on October 11, 2023, the Board of Directors declared a dividend of \$0.59 per share payable December 14, 2023 to shareowners of record at the close of business on November 17, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no significant change in our exposure to market risk during the nine months ended September 30, 2023. For discussion of our exposure to market risk, refer to Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” contained in our 2022 Form 10-K.

Item 4. Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended, we carried out an evaluation under the supervision and with the participation of our management, including the Chief Executive Officer (CEO), the Executive Vice President and Chief Financial Officer (CFO), and the Corporate Vice President and Controller (Controller), of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2023. 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, CFO, and Controller concluded that, as of September 30, 2023, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, 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, CFO, and Controller, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2023 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 our future operating and financial performance, based on assumptions currently believed to be valid, and are not statements of historical fact. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “commit,” “commitment,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “goals,” “objectives,” “confident,” “on track,” and other words of similar meaning. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases (including the accelerated share repurchase program), tax payments and rates, research and development spending, cost savings, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, the Pratt & Whitney Powder Metal Matter and related matters and activities, anticipated benefits to RTX of its segment realignment, dispositions of Raytheon’s Cybersecurity, Intelligence and Services business and Collins’ actuation and flight control business, targets and commitments (including for share repurchases or otherwise), and other statements which are not solely 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, we claim 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 changes in economic, capital market, and political conditions in the U.S. and globally, such as from the global sanctions and export controls with respect to Russia, and any changes therein, including related to financial market conditions, bank failures and other banking industry disruptions, fluctuations in commodity prices or supply (including energy supply), inflation, interest rates and foreign currency exchange rates, disruptions in global supply chain and labor markets, and geopolitical risks;
- risks associated with U.S. government sales, including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration, a continuing resolution, a government shutdown, the debt ceiling or measures taken to avoid a government default, or otherwise, and uncertain funding of programs;
- challenges in the development, production, delivery, support and performance of RTX advanced technologies and new products and services and the realization of the anticipated benefits (including our expected returns under customer contracts), as well as the challenges of operating in RTX’s highly-competitive industries;
- risks relating to RTX’s reliance on U.S. and non-U.S. suppliers and commodity markets, including the effect of sanctions, delays and disruptions in the delivery of materials and services to RTX or its suppliers and price increases;
- risks relating to RTX international operations from, among other things, changes in trade policies and implementation of sanctions, foreign currency fluctuations, economic conditions, political factors, sales methods, and U.S. or local government regulations;
- the condition of the aerospace industry;
- the ability of RTX to attract, train, and retain qualified personnel and maintain its culture and high ethical standards, and ability of our personnel to continue to operate our facilities and businesses around the world;
- risks relating to the coronavirus disease 2019 (COVID-19) pandemic and the impact on global air travel and RTX’s business, supply chain, operations, and the industries in which it operates;
- the scope, nature, timing, and challenges of managing acquisitions, investments, divestitures, and other transactions, including the realization of synergies and opportunities for growth and innovation, the assumption of liabilities, and other risks and incurrence of related costs and expenses, and risks related to completion of announced divestitures;
- compliance with legal, environmental, regulatory, and other requirements, including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anticorruption requirements, such as the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations in the U.S. and other countries in which RTX and its businesses operate;
- the outcome of pending, threatened and future legal proceedings, investigations, and other contingencies, including those related to U.S. government audits and disputes;
- factors that could impact RTX’s ability to engage in desirable capital-raising or strategic transactions, including its credit rating, capital structure, levels of indebtedness, capital expenditures, and research and development spending, and capital deployment strategy including with respect to share repurchases, and the availability of credit, credit market conditions including the cost of debt, and other factors;
- uncertainties associated with the timing and scope of future repurchases by RTX of its common stock, including the ability to enter into, consummate, or complete the accelerated share repurchase (ASR), the purchase price of the shares acquired pursuant to the ASR agreement, and the timing and duration of the ASR program, or declarations of cash

dividends, which may be discontinued, accelerated, suspended, or delayed at any time due to various factors, including market conditions and the level of other investing activities and uses of cash;

- risks relating to realizing expected benefits from, incurring costs for, and successfully managing the Company's segment realignment effective July 1, 2023, the legacy United Technologies Corporation (UTC) and Raytheon Company merger, and other RTX strategic initiatives such as cost reduction, restructuring, digital transformation, and other operational initiatives;
- risks of additional tax exposures due to new tax legislation or other developments in the U.S. and other countries in which RTX and its businesses operate;
- risks relating to addressing the identified rare condition in powder metal used to manufacture certain Pratt & Whitney engine parts, including those relating to the need for accelerated removals and inspections of a significant portion of the PW1100G-JM Geared Turbofan (GTF) fleet, including, without limitation, the number and expected timing of shop visits, inspection results and scope of work to be performed, turnaround time, availability of new parts, available capacity at overhaul facilities, outcomes of negotiations with impacted customers, and risks related to other engine models that may be impacted by the Powder Metal Matter, and in each case including the timing and costs relating thereto, as well as other issues that could impact RTX product performance, including quality, reliability, or durability;
- risks relating to a RTX product safety failure or other failure affecting RTX's or its customers' or suppliers' products or systems;
- risks relating to cyber-attacks on RTX's information technology infrastructure, products, suppliers, customers, and partners, threats to RTX facilities and personnel, as well as other events outside of RTX's control such as public health crises, damaging weather, or other acts of nature;
- the effect of changes in accounting estimates for our programs on our financial results;
- the effect of changes in pension and other postretirement plan estimates and assumptions and contributions;
- risks relating to an impairment of goodwill and other intangible assets;
- the effects of climate change and changing or new climate-related regulations, customer and market demands, products and technologies; and
- the intended qualification of (1) the Raytheon merger as a tax-free reorganization and (2) the Carrier and Otis separation transactions and other internal restructurings as tax-free to UTC and former UTC shareowners, in each case, for U.S. federal income tax purposes.

In addition, this Form 10-Q includes important information as to risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. See "Note 15: Commitments and Contingencies" within Item 1 of this Form 10-Q and "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings "Business Overview," "Results of Operations," and "Liquidity and Financial Condition," within Item 2 of this Form 10-Q. Additional important information as to these factors is included in our Annual Report on Form 10-K in the sections titled Item 1, "Business" under the headings "General," "Business Segments," and "Other Matters Relating to Our Business," Item 1A, "Risk Factors," Item 3, "Legal Proceedings," and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings "Business Overview," "Results of Operations," "Critical Accounting Estimates," and "Government Matters" and our Form 10-Q for the period ended March 31, 2023 in the section titled Item 1A, "Risk Factors." 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 Securities and Exchange Commission (SEC).

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See "Note 15: Commitments and Contingencies" within Item 1 of this Form 10-Q for a discussion regarding material legal proceedings.

There have been no material developments in legal proceedings. For previously reported information about legal proceedings refer to Part I, Item 3, "Legal Proceedings," of our 2022 Annual Report on Form 10-K.

Item 1A. Risk Factors

Risk Factors

You should carefully review and consider the information regarding certain factors which could materially affect our business,

financial condition, or future results set forth under Item 1A in our 2022 Annual Report on Form 10-K (2022 Form 10-K). Except for the risk factors discussed below, there have been no material changes from the factors disclosed in our 2022 Form 10-K, although we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the Securities and Exchange Commission (SEC).

Geopolitical factors and changes in policies and regulations could adversely affect our business. Our international sales and operations are sensitive to changes in foreign national priorities, foreign government budgets, and regional and local political and economic factors, including volatility in energy prices or supply, political or civil unrest, changes in threat environments and political relations, geopolitical uncertainties, and changes in U.S. foreign policy. Our international sales and operations are also sensitive to changes in foreign government laws, regulations and policies, including those related to tariffs, sanctions, embargoes, export and import controls and other trade restrictions. Events such as increased trade restrictions or retaliatory trade policies, renegotiation of existing trade agreements, or regime change can affect demand for our products and services, the competitive position of our products, our supply chain, and our ability to manufacture or sell products in certain countries. Further, operations in emerging market countries are subject to additional risks, including volatility in gross domestic product and rates of economic growth, government instability, cultural differences (such as employment and business practices), the imposition of exchange and capital controls, and risks associated with exporting components manufactured in those countries for incorporation into finished products completed in other countries. While these factors and their impact are difficult to predict, any one or more of them could have a material adverse effect on our competitive position, results of operations, financial condition, or liquidity.

In addition, given the role of our defense businesses in the support of the national security interests of the U.S. and its allies, we are subject to risks and uncertainties relating to policies of the U.S. and its allies, as well as other countries, including those that are or become regarded as potential adversaries or threats. We engage in both direct commercial sales, which generally require U.S. government licenses and approvals, as well as foreign military sales, which are government-to-government transactions initiated by, and carried out at the direction of, the U.S. government. Changes in budgets and spending levels, policies, or priorities, which are subject to geopolitical risks and threats, may impact our defense businesses, including the timing of and delays in U.S. government licenses and approvals for sales, the risk of sanctions or other restrictions, as well as potential human rights issues associated with the use of our defense products. These risks and uncertainties may directly or indirectly impact our commercial businesses as well.

Of note, in February 2023, China announced sanctions against Raytheon Missiles & Defense (RMD) (a former RTX Corporation (RTX) business segment which became part of Raytheon as a result of the July 1, 2023 RTX segment realignment), and previously announced it may take measures against RTX, in connection with certain foreign military sales to Taiwan. The Chinese sanctions against RMD included a fine equal to twice the value of the arms that RMD sold to Taiwan since September 2020. In addition, in September 2022, China indicated that it decided to sanction our Chairman and Chief Executive Officer, Gregory Hayes, in connection with another foreign military sale to Taiwan involving RTX products and services. If China were to enforce sanctions, impose additional sanctions, or take other regulatory action against RTX, our suppliers, affiliates, or partners, it could potentially disrupt our business operations. The impact of the announced sanctions or other potential sanctions, or other actions by China is uncertain. Our businesses have sold, and are expected to sell in the future, additional defense products to Taiwan from time to time, and we are unable to determine the potential impact, if any, of any future sanctions or other actions by China in response to these sales. Moreover, the Chinese government has generally expanded its ability to restrict China-related import, export and investment activities, which may have an adverse impact on our ability to conduct business or sell our commercial aerospace products in China. In addition, in response to Russia's invasion of Ukraine, the U.S. government and the governments of various jurisdictions in which we operate, have imposed broad economic sanctions and export controls targeting specific industries, entities, and individuals in Russia. The Russian government has implemented similar counter-sanctions and export controls targeting specific industries, entities and individuals in the U.S. and other jurisdictions in which we operate, including certain members of the Company's management team and Board of Directors. These government measures, among other limitations, restrict transactions involving various Russian banks and financial institutions and impose enhanced export controls limiting transfers of various goods, software and technologies to and from Russia, including broadened export controls specifically targeting the aerospace sector. These measures have adversely affected and could continue to adversely affect the Company and/or our supply chain, business partners or customers.

We are closely monitoring developments in the war between Israel and Hamas that began on October 7, 2023 including potential impacts to RTX's business, customers, suppliers, employees, and operations in Israel, the Middle East and elsewhere. At this time, impacts to RTX are uncertain and subject to change given the volatile nature of the situation.

Due to the nature of our products and services, a product safety failure or other failure affecting our or our customers' or suppliers' products or systems could seriously harm our business. Our products and services are highly sophisticated and specialized, involve complex advanced technologies, are often integrated with third-party products and services and are utilized for specific purposes that require precision, reliability and durability. Many of our products and services include both hardware

and software that involve industrial machinery and intricate aviation and defense systems, including commercial and military jet engines, power and control systems and other aircraft parts, air and missile defense systems, and military sensors and command and control systems. Technical, mechanical and other failures may occur from time to time, whether as a result of manufacturing or design defect, operational process or production issue attributable to us, our customers, suppliers, third party integrators or others. In addition, our products could fail as a result of cyber-attacks, such as those that seize control and result in misuse or unintended use of our products, or other intentional acts. The impact of a catastrophic product or system failure or similar event affecting our or our customers' or suppliers' products or services could be significant, and could result in injuries or death, property damage, loss of strategic capabilities, loss of intellectual property, loss of reputation, and other significant negative effects. A product or system failure could lead to negative publicity, a diversion of management attention and damage to our reputation that could reduce demand for our products and services. It could also result in product recalls and product liability and warranty claims (including claims related to the safety or reliability of our products) and related expenses, other service, repair and maintenance costs, significant damages and other costs, including fines and other remedies and regulatory and environmental liabilities. We may also incur increased costs, delayed payments, reputational harm or lost equipment or services revenue in connection with a significant issue with a third party's product with which our products are integrated. Further, our insurance coverage may not be adequate to cover all related costs and we may not otherwise be fully indemnified for them. Any of the foregoing could have a material adverse effect on our competitive position, results of operations, financial condition or liquidity.

In particular, as previously disclosed, Pratt & Whitney has determined that a rare condition in powder metal used to manufacture certain engine parts requires accelerated inspection of the PW1100G-JM (PW1100) Geared Turbofan (GTF) fleet, which powers the A320neo family of aircraft. This determination and corresponding fleet actions have significantly increased both the incremental number of PW1100 GTF engines that will need to be removed and the incremental number of shop visits necessary to perform the inspections as compared to estimates prior to this determination. Actual and future estimated aircraft on ground levels for the A320neo family of aircraft have therefore increased. As a result, we have and will continue to incur significant customer support and mitigation costs and significant labor, material and related costs. This matter has caused reputational harm and has negatively impacted, and will continue to impact, our results of operations and financial condition. The financial impact of the powder metal issue is based on historical experience and is subject to various assumptions and judgments, including, without limitation, the number and expected timing of shop visits, inspection results and scope of work to be performed, turnaround time, availability of new parts, available capacity at overhaul facilities and outcomes of negotiations with impacted customers, and these assumptions are subject to variability. Potential changes to these assumptions could have a material effect on the Company's results of operations for the periods in which it is recognized. In addition, these negative impacts to our company could increase if any other engine models are found to be materially impacted by this rare condition.

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

Issuer Purchases of Equity Securities

The following table provides information about our purchases of equity securities that are registered by us pursuant to Section 12 of the Exchange Act during the quarter ended September 30, 2023.

2023	Total Number of Shares Purchased (000's)	Average Price Paid per Share (dollars)	Total Number of Shares Purchased as Part of a Publicly Announced Program (000's)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (dollars in millions)
July 1 - July 31	3,495	\$ 89.49	3,495	\$ 4,484
August 1 - August 31	4,634	86.01	4,634	4,086
September 1 - September 30	9,686	75.43	9,686	3,355
Total	17,815	\$ 80.94	17,815	

On December 12, 2022, our Board of Directors authorized a share repurchase program for up to \$6 billion of our common stock. On October 21, 2023, our Board of Directors authorized a share repurchase program for up to \$11 billion of our common stock, replacing the previous program announced on December 12, 2022. This \$11 billion share repurchase authorization is inclusive of authority to enter into a \$10 billion accelerated share repurchase program (ASR). Under the 2023 program, shares may be purchased on the open market, in privately negotiated transactions, under accelerated share repurchase programs, and under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended. We may also reacquire shares outside of the program in connection with the surrender of shares to cover taxes on vesting of restricted stock and as required under our employee savings plan. Our ability to repurchase shares is subject to applicable law. No shares were reacquired in transactions outside the 2022 program during the quarter ended September 30, 2023.

Item 5. Other Information

During the quarter ended September 30, 2023, no director or “officer” (as defined in Rule 16a-1(f)) of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description
10.1	RTX Corporation Compensation Deferral Plan, as Amended and Restated, effective October 1, 2023*
10.2	RTX Corporation 2018 Long-Term Incentive Plan, as Amended and Restated, effective October 1, 2023*
10.3	RTX Corporation Board of Directors Deferred Stock Unit Plan, as Amended and Restated, effective October 1, 2023*
10.4	RTX Corporation Executive Annual Incentive Plan, as Amended and Restated, effective October 1, 2023*
10.5	RTX Corporation Executive Severance Plan, as Amended and Restated, effective October 1, 2023*
10.6	RTX Corporation Performance Share Unit Deferral Plan, as Amended and Restated, effective October 1, 2023*
15	Letter re: unaudited interim financial information.*
31.1	Rule 13a-14(a)/15d-14(a) Certification.*
31.2	Rule 13a-14(a)/15d-14(a) Certification.*
31.3	Rule 13a-14(a)/15d-14(a) Certification.*
32	Section 1350 Certifications.*
101.INS	Inline 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	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline 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.

**RTX CORPORATION
COMPENSATION DEFERRAL PLAN**

(As Amended and Restated as of October 1, 2023)

ARTICLE I – PREAMBLE

Section 1.1 – Purpose of the Plan

The purpose of the RTX Corporation Compensation Deferral Plan (the “CDP” or the “Plan”) is to provide eligible employees of an RTX Company with:

- (a) the opportunity to electively defer directly into the CDP a portion of their Eligible Earnings without regard to elective deferrals under the RTX Corporation Employee Savings Plan (the “RTX Qualified Savings Plan”);
- (b) the opportunity to electively defer a portion of their Compensation in excess of the limitation imposed by Section 401(a)(17) (the “IRS Compensation Limit”) of the Internal Revenue Code of 1986, as amended (“IRC”);
- (c) the accrual of benefits not provided under the RTX Qualified Savings Plan due to limitations imposed by IRC Section 415 (the “IRS Contribution Limit”) and IRC Section 401(a)(17); and
- (d) the accrual of benefits due to the reduction in the value of Company Matching Contributions and Company Retirement Contributions under the RTX Qualified Savings Plan, as a result of the reduction of a Participant’s compensation (as defined in the RTX Qualified Savings Plan) due to an elective deferral made pursuant to this Plan.

Section 1.2 – Effective Date of Plan and Amendments

- (a) The Raytheon Technologies Corporation Compensation Deferral Plan was established effective as of January 1, 2023, for the benefit of certain RTX Company Employees.
- (b) The Plan is hereby amended and restated, effective as of October 1, 2023, for the purpose of renaming the Plan, the RTX Corporation Compensation Deferral Plan, changing all company references from ‘Raytheon Technologies Corporation’ to ‘RTX Corporation’, and certain other minor administrative changes.

ARTICLE II – DEFINITIONS

Unless otherwise indicated, capitalized terms used herein shall have the same meanings ascribed under the RTX Qualified Savings Plan.

Account Establishment Year means, with respect to each Specified Year Account, the first calendar year in which deferred compensation credited to such Specified Year Account pursuant to the first deferral election made with respect to such Specified Year Account would have been paid if no deferral election under this Plan had been made. By way of example, if a Participant's first deferral election with respect to a Specified Year Account is made in 2022 with respect to compensation that would have been paid in 2023 if such deferral election had not been made, then the Account Establishment Year for such Specified Year Account is 2023.

Annual Incentive Award means compensation amounts awarded to a Participant pursuant to the RTX Corporation Executive Annual Incentive Plan (or any successor plan) and/or the RTX Corporation Broad-Based Incentive Plan (or any successor plan), that is payable in the next following calendar year with respect to services performed in the current calendar year.

Beneficiary means the person, persons or entity designated on an electronic or written form by the Participant to receive the value of his or her Plan Account in the event of the Participant's death in accordance with Section 7.5 of this Plan.

Benefit Reduction Contribution means an amount credited by the Corporation to a Participant's Plan Account in accordance with Section 5.4 of the Plan to restore the reduction in the Company Matching Contribution and/or the Company Retirement Contribution credited to a Participant's Plan Account under the RTX Qualified Savings Plan as a result of the reduction of such Participant's Eligible Earnings under the RTX Qualified Savings Plan due to an Elective Compensation Deferral by the Participant under this Plan.

Cause means (a) "Cause" as defined in the Company's 2018 Long-Term Incentive Plan, as amended and restated, and as further amended from time to time; (b) violation of the Company's Code of Conduct; (c) such other actions or omissions that constitute willful misconduct, willful failure to perform, or gross negligence in the performance of, reasonable duties of employment; (d) disruptive behavior, or other such actions on the part of the Participant that renders his or her employment untenable as determined by the Committee; or (e) Participant's loss or failure to maintain any security clearance required for the Participant's position.

Code or IRC means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto. References to any section of the Internal Revenue Code shall include any final regulations or other applicable guidance. References to "Section 409A" shall refer to Section 409A of the Code and any final regulations and guidance issued thereunder by the Internal Revenue Service from time to time in effect.

Committee means the Deferred Compensation Committee (or successor committee), which is responsible for the administration of the Plan.

Company Contributions means the Company Retirement Contribution, the Company Matching Contribution, and Discretionary Contributions, including any Benefit Reduction Contributions.

Company Matching Contribution means the matching contribution credited to the Plan on behalf of a Participant in accordance with Sections 5.2, 5.3 and 5.4 of the Plan. Where referring to

the Company Matching Contributions under the RTX Qualified Savings Plan, the definition of such term in the RTX Qualified Savings Plan shall apply.

Company Retirement Contribution means the non-matching contribution credited to the Plan on behalf of a Participant in accordance with Sections 5.1 and 5.4 of the Plan. Where referring to Company Retirement Contribution under the RTX Qualified Savings Plan, the definition of such term in the RTX Qualified Savings Plan shall apply.

Corporation means RTX Corporation, or any successor thereto.

Default Investment Option means the Investment Fund designated by the Committee on behalf of a Participant in the absence of an investment option election by a Participant. The Default Investment Option shall be determined at the sole discretion of the Committee and shall be communicated to Participants annually.

Disability means permanent and total disability as determined under the Corporation's long-term disability plan applicable to the Participant, or if there is no such plan applicable to the Participant, "Disability" means a determination of total disability by the Social Security Administration; provided that, in either case, the Participant's condition also qualifies as a "disability" for purposes of Section 409A(a)(2)(C) of the Code.

Discretionary Contribution means the contributions credited to the Plan on behalf of a Participant in accordance with Section 5.6 of the Plan.

Election Form means the form or process provided by the Committee to a Participant electronically or in paper form for the purpose of specifying elective deferrals, method of distribution and/or the percentage allocation among the Investment Funds with respect to a Participant's Plan Account.

Elective Compensation Deferral means the percentage of Eligible Earnings to be deferred to a Participant's Specified Year Account and/or Separation from Service Account in accordance with Section 4.1 of the Plan.

Eligible Earnings means the total compensation paid with respect to a Plan Year to a Participant meeting the definition of "compensation" as set forth in the RTX Qualified Savings Plan but modified by disregarding the IRS Compensation Limit in such definition and including amounts the Participant elects to defer for such Plan Year under Section 4.1 of the Plan.

Eligible Employee for any Plan Year means an Employee at a level of either: (i) F2-3, M7/P7 or E1-5 as of the date on which deferral elections are solicited by the Committee for such Plan Year, or (ii) F1, and whose combined annual salary and target annual incentive compensation, as of the April 15 prior to the date on which deferral elections are solicited by the Committee for such Plan Year, are determined to exceed the then current IRC Section 401(a)(17) limit; and who is paid from a US payroll and receives Eligible Earnings subject to U.S. federal income tax withholding.

Employee means an employee of the Corporation or an RTX Company but excluding any employee who is not eligible to participate in the RTX Qualified Savings Plan and any Represented Employee (as defined in the RTX Qualified Savings Plan).

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Investment Fund means a hypothetical fund that tracks the value of an investment option offered under the RTX Qualified Savings Plan or other such investment option as determined by the Committee. Investment Funds offered under the CDP may be changed from time to time by the Committee and shall be valued in the manner set forth in Section 6.2. Available investments are described at <https://www.newportgroup.com>. The value of Participants' Accounts shall be adjusted to replicate the performance of the applicable Investment Funds. Amounts credited to any Investment Fund shall not be required to be invested in actual assets corresponding to the Investment Fund.

IRS Compensation Limit means the limitation imposed by Section 401(a)(17) of the Code.

IRS Contribution Limit means the limitation imposed by Section 415(c) of the Code.

Maximum Deferral Period means, with regard to a Specified Year Account, a period of fifteen (15) consecutive calendar years (or such other number of calendar years as is specified by the Committee from time to time) commencing with, and including, the Account Establishment Year. By way of illustration, for a Specified Year Account with an Account Establishment Year of 2023, the Maximum Deferral Period is calendar years 2023 through 2037, with distribution commencing in April of the Specific Deferral Year of 2038.

Minimum Deferral Period means, with regard to a Specified Year Account, a period of three (3) consecutive calendar years (or such other number of calendar years as is specified by the Committee from time to time) commencing with, and including, the Account Establishment Year. By way of illustration, for a Specified Year Account with an Account Establishment Year of 2023, the Minimum Deferral Period is calendar years 2023 through 2025, with distribution commencing in April of the Specific Deferral Year of 2026.

Participant means an Employee who meets the criteria detailed in Article III. A Participant who previously elected to defer Eligible Earnings under the Plan, and/or who received an allocation of benefits under the Plan, but who ceases to meet the criteria detailed in Article III, shall not be eligible to continue to elect to defer under Article IV, and/or to receive contributions under Article V, but shall remain a Participant under the Plan with respect to his or her Plan Account until it is distributed or forfeited in accordance with the terms of the Plan.

Plan or CDP means the RTX Corporation Compensation Deferral Plan, as amended from time to time.

Plan Account means, for each Participant, the aggregate value of all of such Participant's Specified Year Accounts and such Participant's Separation from Service Account.

Plan Year means the calendar year.

RTX Company means the Corporation, or any entity controlled by or under common control with the Corporation within the meaning of Section 414(b) or (c) of the Code (but substituting "at least 20 percent" for "at least 80 percent" as the control threshold used in applying Sections 414(b) and (c)).

RTX Qualified Savings Plan means the RTX Corporation Savings Plan, as amended from time to time.

Separation from Service means a Participant's termination of employment with all RTX Companies, other than by reason of death. A Separation from Service will be deemed to occur where the Participant and the RTX Company that employs the Participant reasonably anticipate that the bona fide level of services the Participant will perform (whether as an employee or as an independent contractor) for RTX Companies will be permanently reduced to a level that is less than thirty-seven and a half percent (37.5%) of the average level of bona fide services the Participant performed during the immediately preceding thirty-six (36) months (or the entire period the Participant has provided services if the Participant has been providing services to RTX Companies for less than thirty-six (36) months). A Participant shall not be considered to have had a Separation from Service as a result of a transfer from one RTX Company to another RTX Company.

Separation from Service Account means a Plan Account maintained on behalf of the Participant, for the purpose of crediting Elective Compensation Deferrals and Company Contributions that is targeted for distribution following the Participant's Separation from Service. The Committee may establish categories of Separation from Service Accounts to reflect different sources of deferrals.

Specified Year Account means a Plan Account maintained on behalf of the Participant for the purpose of crediting Elective Compensation Deferrals with a targeted distribution date in April of the calendar year specified by the Participant. A Participant shall be allowed a maximum of five (5) active Specified Year Accounts under the Plan at one time and when any Specified Year Account is fully paid, it shall no longer be considered an active Specified Year Account.

Specific Deferral Year means, with respect to a Specified Year Account, a specified calendar year in which an entire lump sum payment will be distributed, or installment payments will begin to be distributed to the Participant. The Specific Deferral Year shall be no earlier than the calendar year immediately following the Minimum Deferral Period and no later than the calendar year immediately following the Maximum Deferral Period.

Specified Employee means each of the fifty (50) highest-paid officers and other Employees of the Corporation and its affiliates (determined for this purpose under Treas. Regs. §1.409A-1(g)), effective annually as of April 1st, based on compensation reported in Box 1 of Form W-2 for the immediately preceding calendar year, but including amounts that are excluded from taxable income as a result of elective deferrals to qualified plans and pre-tax contributions. For these purposes, compensation shall not include foreign compensation earned by a nonresident alien that is not effectively connected with the conduct of a trade or business in the United States.

ARTICLE III – ELIGIBILITY AND PARTICIPATION

Section 3.1 – Eligibility

Each Employee (i) who is classified by the Committee as an Eligible Employee at the time of the deferral election will be eligible to defer Eligible Earnings in accordance with the terms of the Plan; and/or (ii) whose Company Retirement Contributions and Company Matching Contributions

under the RTX Qualified Savings Plan are limited by the IRS Contribution Limit is eligible to participate in the Plan subject to the terms and conditions of this Article III and/or (iii) whose Company Retirement Contributions under the RTX Qualified Savings Plan are limited by the IRS Compensation Limit is eligible to participate in the Plan subject to the terms and conditions of this Article III. The Committee shall determine which Eligible Employees are permitted to make deferral elections.

Section 3.2 – Participation for Company Retirement Contributions and/or Company Matching Contributions

An Employee who becomes eligible to participate in the Plan with respect to Company Retirement Contributions and/or Company Matching Contributions shall be automatically enrolled in the Plan within thirty (30) days of the Employee's first eligible pay date.

Section 3.3 – Participation for Elective Compensation Deferrals

An Eligible Employee may elect to participate in the Plan with respect to Elective Compensation Deferrals for any calendar year for which the Committee offers the Eligible Employee the opportunity to make such deferrals by timely completing and submitting an Election Form to the Committee, in accordance with Section 4.1. Participation in the Plan with respect to Elective Compensation Deferrals is entirely voluntary.

ARTICLE IV – PARTICIPANT ELECTIONS AND DESIGNATIONS

Section 4.1 – Elective Compensation Deferral

(a) **Election.** An Eligible Employee may, on or before the election deadline established by the Committee, make an Elective Compensation Deferral in accordance with this paragraph (a) on the Election Form provided by the Committee for the immediately following calendar year, as follows:

(i) **Direct Deferral.** Elect to defer a portion of his or her Eligible Earnings before any deferral under the RTX Qualified Savings Plan; and/or

(ii) **Excess Deferral.** Elect to defer a portion of his or her base salary in excess of the IRS Compensation Limit.

(b) **Election Amount.** An Eligible Employee who makes an Elective Compensation Deferral election as provided under Section 4.1(a), must designate on the Election Form at least one of the following:

(i) **Direct Deferral of Base Salary.** The percentage of base salary to be deferred in a whole percentage between one (1) and fifty (50) percent;

(ii) **Excess Deferral of Base Salary.** The percentage of base salary in excess of the IRS Compensation Limit to be deferred in a whole percentage between one (1) and fifty (50) percent; and/or

(iii) **Direct Deferral of Annual Incentive Award.** The percentage of any Annual Incentive Award to be deferred in a whole percentage between one (1) and eighty (80) percent.

(iv) **Base Salary Limitation.** The maximum combined percentage of base salary that an Eligible Employee may elect to defer for any calendar year under both paragraphs (i) and (ii) of Section 4.1(b) shall not exceed fifty (50) percent.

(c) **Election Date.** For an election to defer base salary, an Election Form must be completed and submitted to the Committee no later than the December 31 immediately preceding the calendar year to which the election applies, or such earlier date as the Committee may specify. For an election to defer an Annual Incentive Award with respect to services to be performed in the current calendar year and otherwise payable in the immediately following calendar year, an Election Form must be completed and submitted to the Committee no later than the June 30 of the current calendar year, or such earlier date as the Committee may specify. A new Election Form must be completed each year to defer either base salary and/or an Annual Incentive Award.

Except as provided below in Section 4.6 (Change in Distribution Election), the payment choices reflected on the Election Form shall be irrevocable on the election deadline specified by the Committee. If an Eligible Employee or Participant fails to submit a properly completed Election Form by the election deadline, the Eligible Employee or Participant will be ineligible to make an Elective Compensation Deferral.

(d) **Deferral Allocation.** An Eligible Employee or Participant shall specify in the Election Form, in whole percentages, how the amounts to be deferred in the immediately following calendar year are to be allocated among his or her Separation from Service Account and/or one or more Specified Year Accounts, including among any existing active Specified Year Accounts. A Participant may allocate to an existing active Specified Year Account so long as the Specified Deferral Year for such Specified Year Account is no earlier than the second calendar year following the calendar year in which such compensation is otherwise payable. By way of illustration, a Participant may use a Specified Year Account with a Specified Deferral Year of 2027 to defer compensation otherwise payable in 2025 but may not use such Specified Year Account with respect to compensation otherwise payable in 2026. To the extent that the Eligible Employee or Participant fails to make an effective allocation among the available accounts, the deferral shall be allocated entirely to her or her Separation from Service Account.

(e) **Deferral Period.** For each Specified Year Account, an Eligible Employee or Participant may elect a Specified Deferral Year that is no earlier than the calendar year immediately following the Minimum Deferral Period and no later than the calendar year immediately following the Maximum Deferral Period. Failure to specify a Specific Deferral Year for a Specified Year Account shall result in a deferral for the Minimum Deferral Period with a Specific Deferral Year that is the calendar year immediately following the Minimum Deferral Period. For the Separation from Service Account, the Deferral Period will end on the date of Participant's Separation from Service.

Section 4.2 – Distribution Election

(a) **Separation from Service Account.** At the first to occur of (i) the first Elective Compensation Deferral under Section 4.1 to the Participant's Separation from Service Account, or (ii) within 30 days of notification of participation for Company Retirement Contributions and/or Company Matching Contribution under Section 3.2, respectively, the Participant must, on or before the election deadline established by the Committee, specify in the Election Form a distribution election to have the Participant's Separation from Service Account distributed in a lump sum or in two (2) to fifteen (15) annual installments.

(b) **Specified Year Accounts.** At the time the Participant makes an Elective Compensation Deferral to a Specified Year Account under Section 4.1, the Participant must, on or before the election deadline established by the Committee, specify in the Election Form a distribution election to have the Participant's Specified Year Account distributed in a lump sum or in two (2) to fifteen (15) annual installments.

(c) **Default Form of Distribution.** To the extent no distribution election is made with respect to a Participant's Plan Account as provided in paragraphs (a) or (b) of this Section 4.2, the default form of distribution will be ten (10) annual installments. Except as provided below in Section 4.6 (Change in Distribution Election), the choices reflected on the Participant's Election Form shall be irrevocable on the election deadline.

Section 4.3 – Timing of Elective Contributions

Allocation of Elective Contribution Deferrals by the Corporation to a Participant's Separation from Service Account or any Specified Year Account, as applicable, shall be made no less frequently than annually with respect to each Plan Year.

Section 4.4 – Vesting

A Participant shall be one hundred (100) percent vested in his or her Elective Compensation Deferrals into the Plan and any associated earnings.

Section 4.5 – Investment Fund Allocations

Elective Contribution Deferrals credited to a Participant's Separation from Service Account or any Specified Year Accounts, as applicable, shall be allocated to the Default Investment Option, unless the Participant has made alternative investment elections. Participants may change the asset allocation of their existing Separation from Service Account or Specified Year Accounts, or the Investment Funds to which new contributions are allocated, as permitted by the Committee.

Section 4.6 – Change in Distribution Election

A Participant may make an irrevocable election to change the time or form of distribution, either by changing the number of installments (including changing to or from a lump sum), the commencement date, or both, for his or her Separation from Service Account or any of his or her Specified Year Accounts. A change to the time or form of distribution must meet all of the following requirements:

(a) The new election must be made at least twelve (12) months prior to the date on which distributions will commence under the current election (and the new election shall be ineffective if the Participant incurs a Separation from Service within twelve (12) months after the date of the new election);

(b) The new election shall not take effect until at least twelve (12) months after the date when the new election is submitted in a manner acceptable to the Committee; and

(c) The new distribution commencement date must be at least five (5) years later than the date on which distributions would commence under the current election.

A maximum of three change elections shall be allowed under the Plan.

ARTICLE V – COMPANY CONTRIBUTIONS

Section 5.1 – Company Retirement Contributions

(a) **Eligibility.** Each Eligible Employee or Participant who is eligible for a Company Retirement Contribution under the terms of the RTX Qualified Savings Plan for a Plan Year shall be eligible for a Company Retirement Contribution under this Plan upon the first to occur of the Participant reaching the IRS Contribution Limit or the IRS Compensation Limit under the RTX Qualified Savings Plan for such Plan Year, regardless of whether the Eligible Employee or Participant has elected to contribute to this Plan.

(b) **Allocation.** Company Retirement Contributions shall be allocated exclusively to a Participant's Separation from Service Account.

(c) **Amount.** The Company Retirement Contribution made pursuant to this Section 5.1 shall be an amount equal to (1) minus (2) where (1) equals the Company Retirement Contribution that would have been made on behalf of such Participant under the RTX Qualified Savings Plan in the absence of the IRS Contribution Limit or the IRS Compensation Limit for the Plan Year and (2) equals the actual Company Retirement Contribution made on behalf of such Participant under the RTX Qualified Savings Plan for such Plan Year.

(d) **No Duplication.** In no event shall a Participant be eligible for Company Retirement Contributions under this Plan if and to the extent that (i) Company Retirement Contributions are made under the RTX Qualified Savings Plan for the same Eligible Earnings or (ii) Company Retirement Contributions under this Plan would otherwise result in a duplication of benefits (e.g., if amounts are credited under this Plan or any other Company deferred compensation plan with respect to the same Eligible Earnings).

Section 5.2 – Company Matching Contribution Eligibility to Account for IRS Compensation Limit

(a) **Eligibility.** Each Participant who is eligible for a Company Matching Contribution under the terms of the RTX Qualified Savings Plan for a Plan Year shall be eligible for a Company Matching Contribution under this Section 5.2 for such Plan Year upon reaching the IRS

Compensation Limit under the RTX Qualified Savings Plan, to the extent that the Participant has made an Elective Compensation Deferral under this Plan for such Plan Year and only with respect to Eligible Earnings in excess of the IRS Compensation Limit.

(b) **Allocation.** Company Matching Contributions shall be allocated exclusively to a Participant's Separation from Service Account.

(c) **Amount.** The Company Matching Contribution made pursuant to this Section 5.2 due to the application of the IRS Compensation Limit shall be an amount equal to a percentage of the Participant's applicable Elective Compensation Deferral (but only taking into account Eligible Earnings in excess of the IRS Compensation Limit), calculated based upon the Company Matching Contribution formula (as in effect from time to time) applicable to the Participant under the RTX Qualified Savings Plan for such Plan Year, which for the avoidance of doubt, shall be based on the percentage of Eligible Earnings in excess of the IRS Compensation Limit that would have been matched under the RTX Qualified Savings Plan without regard to the IRS Compensation Limit.

(d) **No Duplication.** In no event shall a Participant be eligible for Company Matching Contributions under this Plan if and to the extent that (i) Company Matching Contributions are made under the RTX Qualified Savings Plan for the same Eligible Earnings or (ii) Company Matching Contributions under this Plan would otherwise result in a duplication of benefits (e.g., if amounts are credited under this Plan or any other Company deferred compensation plan with respect to the same Eligible Earnings).

Section 5.3 – Company Matching Contribution to Account for IRS Contribution Limit

(a) **Eligibility.** Each Eligible Employee or Participant who is eligible for a Company Matching Contribution under the terms of the RTX Qualified Savings Plan for a Plan Year shall be eligible for a Company Matching Contribution under this Section 5.3 upon the Eligible Employee or Participant reaching the IRS Contribution Limitation under the RTX Qualified Savings Plan for such Plan Year before reaching the IRS Compensation Limitation under the RTX Qualified Savings Plan for such Plan Year; provided that the Eligible Employee or Participant has made the maximum elective deferrals to the RTX Qualified Savings Plan permitted under Section 402(g) of the Code or the terms of the RTX Qualified Savings Plan for such Plan Year.

(b) **Allocation.** Company Matching Contributions shall be allocated exclusively to a Participant's Separation from Service Account.

(c) **Amount.** The Company Matching Contribution made pursuant to this Section 5.3 due to the application of the IRS Contribution Limit shall be an amount equal to (1) minus (2) where (1) equals the Company Matching Contribution that would have been made on behalf of such Participant under the RTX Qualified Savings Plan in the absence of the IRS Contribution Limit for the Plan Year (but taking into account the IRS Compensation Limit) and (2) equals the actual Company Matching Contribution made on behalf of such Participant under the RTX Qualified Savings Plan for such Plan Year. Such contribution shall be made assuming that the Participant would have continued to contribute at least six percent (6%) of the Participant's Eligible Earnings (or if the matching formula changes under the RTX Qualified Savings Plan, the minimum amount

necessary to receive the maximum match under the RTX Qualified Savings Plan) if the Participant were permitted to do so but for the IRS Contribution Limit.

(d) **No Duplication.** In no event shall a Participant be eligible for Company Matching Contributions under this Plan if and to the extent that (i) Company Matching Contributions are made under the RTX Qualified Savings Plan for the same Eligible Earnings or (ii) the Company Matching Contributions under this Plan would otherwise result in a duplication of benefits (e.g., if amounts are credited under this Plan or any other Company deferred compensation plan with respect to the same Eligible Earnings).

Section 5.4 – Company Retirement Contributions and Company Matching Contributions consisting of Benefit Reduction Contributions

(a) **Eligibility.** To the extent that a Participant made Elective Compensation Deferrals for a Plan Year, such Participant shall receive a Benefit Reduction Contribution for such Plan Year.

(b) **Allocation.** Benefit Reduction Contributions shall be allocated exclusively to a Participant's Separation from Service Account.

(c) **Amount.** The Benefit Reduction Contribution for a Plan Year shall be an amount equal to the reduction in the Company Matching Contribution and/or the Company Retirement Contribution for such Participant for such Plan Year under the RTX Qualified Savings Plan as a result of the reduction of such Participant's Eligible Earnings under the RTX Qualified Savings Plan due to the Elective Compensation Deferral by the Participant under this Plan for such Plan Year; provided that for purposes of calculating the Benefit Reduction Contributions, the Company Matching Contribution shall be made only with respect to Elective Compensation Deferrals not matched under Section 5.2.

(d) **No Duplication.** In no event shall a Participant be eligible for a Benefit Reduction Contribution under this Plan if and to the extent that (i) Company Matching Contributions and Company Retirement Contributions are made under the RTX Qualified Savings Plan for the same Eligible Earnings or (ii) such Benefit Reduction Contribution would otherwise result in a duplication of benefits (e.g., if amounts are credited under this Plan or any other Company deferred compensation plan with respect to the same Eligible Earnings).

Section 5.5 – Timing of Company Contributions

Allocation of Company Contributions to a Participant's Separation from Service Account shall be made no less frequently than annually with respect to each Plan Year.

Section 5.6 – Discretionary Contributions

The Corporation may in its sole discretion credit additional amounts to a Participant's Separation from Service Account, may specify vesting requirements applicable to such additional amounts, and need not treat Participants uniformly.

Section 5.7 – Investment of Contributions

Company Contributions under Sections 5.1, 5.2, 5.3, 5.4, and 5.6 credited to a Participant's Separation from Service Account will be allocated to the Default Investment Option, unless the Participant has made alternative investment elections. Participants may change the asset allocation of their Separation from Service Account balance, or the Investment Funds to which new contributions are allocated, as permitted by the Committee.

Section 5.8 – Vesting of Company Contributions

A Participant shall be vested in the value of Company Contributions (other than Discretionary Contributions) credited to his or her Plan Account under this Article V, upon the first to occur of the following: (a) completion of two (2) years of "Continuous Service" (as defined in the RTX Qualified Savings Plan); (b) attainment of age sixty-five (65) while employed by an RTX Company; (c) the death or Disability of the Participant while employed by an RTX Company; (d) involuntary not for Cause Separation from Service; or (e) the Participant's entrance into United States military service before completing two (2) years of "Continuous Service." For the avoidance of doubt, where a Participant is terminated for Cause, the Participant's Company Contributions shall forfeit.

ARTICLE VI – PLAN ACCOUNTS

Section 6.1 – Accounts

A Plan Account will be established for each Participant. Elective Compensation Deferrals and Company Contributions made under the Plan shall be allocated or reallocated among Investment Funds in accordance with the Plan terms and each Participant's instructions in the manner set forth in Section 4.5 and Section 5.7.

Section 6.2 – Valuation of Investment Funds

Elective Compensation Deferrals and Company Contributions allocated to Investment Funds will be converted to the applicable Investment Fund units based on the closing share price of that Investment Fund as of the date the contribution is credited to the applicable Investment Fund. The value of the units of an Investment Fund will fluctuate on each business day based on the performance of the applicable Investment Fund.

Section 6.3 – Reports to Participants

The Committee will make available detailed information to Participants regarding the credited value of Plan Accounts, distribution elections, Beneficiary designations, and Investment Fund allocations. Such information may be provided via electronic media as determined by the Committee. No RTX Company, no director, officer or employee of an RTX Company, and no entity retained by an RTX Company to provide Plan services, shall have any liability to any Participant or Beneficiary for any failure or delay in providing such information, or for the results of any error (including the failure to implement any Investment Fund allocation) disclosed in such information.

ARTICLE VII – VALUATION & DISTRIBUTION OF PLAN ACCOUNTS

Section 7.1 – Timing of Plan Distributions

Except as provided in Section 4.6 (Change in Distribution Election), Section 7.4 (Separation from Service of Specified Employees), Section 7.5 (Death), and Section 7.6 (Accelerated Distribution in the Case of an Unforeseeable Emergency), the value of a Participant's Plan Account will be distributed (or begin to be distributed) to the Participant in (a) April of the calendar year immediately following the calendar year of the Participant's Separation from Service, with respect to a Separation from Service Account or (b) April of the Specific Deferral Year, with respect to a Specified Year Account.

Section 7.2 – Method of Distribution

Except as provided in Section 7.5 (Death) and Section 7.6 (Accelerated Distribution in the Case of an Unforeseeable Emergency), a Participant's accounts under a Plan Account will be distributed to the Participant in a series of annual installment distributions, or in a single lump-sum distribution, in accordance with the Participant's elections on file. For purposes of determining the amount to be distributed, except as otherwise expressly provided in this Plan or as otherwise determined by the Committee from time to time, the value of the Participant's Plan Account shall be determined as of the 25th day of the month preceding the month in which the applicable distribution occurs.

Annual installment distributions shall be payable to the Participant beginning on the distribution commencement date and continuing as of each anniversary of the distribution commencement date thereafter until all installments have been distributed. To determine the amount of each installment, the value of the Participant's Plan Account will be multiplied by a fraction, the numerator of which is one and the denominator of which is the remaining number of scheduled installments. By way of illustration, if a Participant elects ten (10) annual installments, the amount of the first installment will be determined using one tenth (1/10th) of the Plan Account balance as of the valuation date, and the second distribution will be determined using one ninth (1/9th) of the Plan Account balance as of the valuation date and so on, until all installments have been distributed.

Section 7.3 – Form of Distribution

Plan Account distributions will be made in cash.

Section 7.4 – Separation from Service of Specified Employees

Distributions to a Participant, who is a Specified Employee at the time of Separation from Service, on account of such Separation from Service, will not be made or commence earlier than the first day of the seventh month following the date of Separation from Service. A Plan Account shall continue to accrue hypothetical investment gains and losses as provided in Article VI. For purposes of determining the amount to be distributed, the value of the Participant's Plan Account will be determined as of the 25th day of the month (or as otherwise determined by the Committee from time to time) preceding the month in which the distribution occurs. Distribution shall be made in the first pay cycle on or after the first day of the seventh month following the Separation from Service. In the

case of a distribution in installments, the date of subsequent installments shall not be affected by the delay of any installment hereunder.

Section 7.5 – Death

(a) **Death Benefit.** In the event of the death of a Participant before the Participant's Plan Account has been fully distributed, the full remaining value of the Participant's Plan Account will be distributed to the designated Beneficiary (if applicable), or the Participant's estate, in a lump sum on the first business day of the third month following the Participant's death. Upon notification of death, pending distribution, the value of the Participant's Plan Account will be allocated to the Default Investment Option.

(b) **Beneficiary.** Each Participant shall designate a Beneficiary for his or her Plan Account on an electronic or written form provided by the Committee. A Participant may change such designation on an electronic or written form acceptable to the Committee and any change will be effective on the date received by the Committee. Designations received after the date of the Participant's death shall not be effective. If a Beneficiary designation is not filed with the Committee before the Participant's death, or if the Beneficiary (and any contingent Beneficiary) does not survive the Participant, the value of the Participant's Plan Account shall be paid to the Participant's estate. If a Participant designates the Participant's spouse as the Participant's Beneficiary, that designation shall not be revoked or otherwise altered or affected by any (a) change in the marital status of the Participant; (b) agreement between the Participant and such spouse; or (c) judicial decree (such as a divorce decree) affecting any rights that the Participant and such spouse might have as a result of their marriage, separation, or divorce; it being the intent of the Plan that any change in the designation of a Beneficiary hereunder may be made by the Participant only in accordance with the procedures set forth in this Section 7.5.

Section 7.6 – Accelerated Distribution in the Case of an Unforeseeable Emergency

(a) The Committee may, upon a Participant's written application, agree to an accelerated distribution of some or all of the value of a Participant's Plan Account upon the occurrence of an Unforeseeable Emergency. An "Unforeseeable Emergency" is a severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in IRC Section 152, without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)); (ii) loss of the Participant's property due to casualty; or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Whether a Participant is faced with an Unforeseeable Emergency permitting a distribution to be made under the Plan is to be determined by the Committee based on the relevant facts and circumstances of each case. Acceleration will not be granted if (1) the Committee determines that the facts and circumstances do not meet the Plan requirements for an Unforeseeable Emergency, or (2) the emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not cause severe financial hardship).

(b) Distributions on account of an Unforeseeable Emergency shall be limited to the amount reasonably necessary to satisfy the emergency need, as supported by documentation

submitted to the Committee. Such amount may include amounts necessary to pay any federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution.

The Committee will determine from which Investment Funds hardship distributions will be made. Any Participant who is an officer or director of the Corporation within the meaning of Section 16 of the Securities Exchange Act of 1934 is not eligible for distributions on account of an Unforeseeable Emergency, pursuant to this Section 7.6.

Section 7.7 – Disability

In the event of the Disability of a Participant that qualifies as a “Separation from Service” for purposes of Section 409A, the Participant’s Plan Account will be distributed in accordance with the Participant’s elections on file. The Participant’s Specified Year Accounts that are designated to be deferred to a Specific Deferral Year will be maintained and distributed in accordance with Section

7.1. The Participant’s Separation from Service Account will be distributed as if such Participant had a Separation from Service on the date of the Participant’s Disability.

Section 7.8 – Administrative Adjustments in Distribution Date

A distribution is treated as being made on the date when it is due under the Plan if the distribution is made on the due date specified by the Plan, or on a later date that is either (a) in the same calendar year (for a distribution whose specified due date is on or before September 30), or

(b) by the fifteenth (15th) day of the third (3rd) calendar month following the date specified by the Plan (for a distribution whose specified due date is on or after October 1). A distribution is also treated as being made on the date when it is due under the Plan if the distribution is made not more than thirty (30) days before the due date specified by the Plan. In no event will a distribution to a Specified Employee due to a “Separation from Service” be made or commence earlier than the first business day of the seventh (7th) month following the date of Separation from Service. A Participant may not, directly or indirectly, designate the taxable year of a distribution made in reliance on the administrative rules in this Section 7.8.

Section 7.9 – Minimum Balance Payout Provision

If a Participant’s aggregate Plan Account balance under this Plan (and under all other nonqualified deferred compensation plans of the Corporation and its affiliates (determined for this purpose under Treas. Regs. §1.409A-1(g)) that are required to be aggregated with this Plan under Section 409A), , is less than the amount set as the limit on elective deferrals under Section 402(g)(1)(B) of the Code in effect for the year in which the Participant’s Separation from Service occurs, the Committee retains discretion to distribute the Participant’s entire Plan Account (and the Participant’s entire interest in any other nonqualified deferred compensation plan that is required to be aggregated with this Plan) in a lump sum in the month of April following the year of the Participant’s Separation from Service, even if the Participant has elected to receive a different form of distribution. Any exercise of the Committee’s discretion taken pursuant to this Section 7.9 shall be evidenced in writing, no later than the distribution date.

ARTICLE VIII – AMENDMENT AND TERMINATION OF PLAN

Section 8.1 – Amendment

The Committee may, at any time, amend the Plan in whole or in part, provided that no amendment may directly decrease the value of any Plan Accounts as of the date of such amendment. In the event of any change in law or regulation relating to the Plan or the tax treatment of Plan Accounts, the Plan shall, without further action by the Committee, be deemed to be amended to comply with any such change in law or regulation effective as of the first date necessary to prevent the taxation, constructive receipt or deemed distribution of Plan Accounts prior to the date Plan Accounts would be distributed under the provisions of Article VII. To the extent any rule or procedure adopted by the Committee is inconsistent with a provision of the Plan that is administrative, technical or ministerial in nature, the Plan shall be deemed amended to the extent of the inconsistency.

Section 8.2 – Plan Suspension and Termination

(a) The Committee may, at any time, suspend or terminate the Plan if, in its sole judgment, the continuance of the Plan, the tax, accounting, or other effects thereof, or potential distributions thereunder would not be in the best interest of the Corporation or for any other reason.

(b) In the event of the suspension of the Plan, no additional contributions shall be made under the Plan. All previous contributions shall be distributed in accordance with the otherwise applicable provisions of the Plan and the applicable elections on file.

(c) Upon the termination of the Plan with respect to all Participants, and the termination of all arrangements sponsored by the Corporation or its affiliates that would be aggregated with the Plan under Section 409A, the Corporation shall have the right, in its sole discretion, and notwithstanding any elections made by the Participant, to pay the Participant's Plan Account in a lump sum, to the extent permitted under Section 409A. All distributions that may be made pursuant to this Section 8.2(c) shall be made no earlier than the thirteenth (13th) month and no later than the twenty-fourth (24th) month after the termination of the Plan. The Corporation may not accelerate distributions pursuant to this Section 8.2(c) if the termination of the Plan is proximate to a downturn in the Corporation's financial health within the meaning of Treas. Regs. § 1.409A-3(j)(4)(ix)(C)(1). If the Corporation exercises its discretion to accelerate distributions under this Section 8.2(c), it shall not adopt any new arrangement that would have been aggregated with the Plan under Section 409A within three (3) years following the date of the Plan's termination. The Committee may also provide for distribution of Plan Accounts following a termination of the Plan under any other circumstances permitted by Section 409A, including without limitation in connection with the occurrence of a change in control event in accordance with Treas. Regs. § 1.409A-3(j)(4)(ix)(B).

Section 8.3 – No Consent Required

The consent of any Participant, Beneficiary, or other person shall not be required with respect to any amendment, suspension, or termination of the Plan.

ARTICLE IX – GENERAL PROVISIONS

Section 9.1 – Withholding Taxes

The Committee may make any appropriate arrangements to deduct from all deferrals, contributions, vested Plan Accounts and distributions under the Plan any taxes that the Committee reasonably determines to be required by law to be withheld from such credits and distributions.

Section 9.2 – Unsecured General Creditor

The Corporation's obligations under the Plan constitute an unfunded and unsecured promise to pay money in the future. Participants' and Beneficiaries' rights under the Plan are solely those of a general unsecured creditor of the Corporation. No assets will be required to be placed in trust, set aside or otherwise segregated to fund or offset liabilities in respect of the Plan or Participants' Plan Accounts. The Corporation may, however, at its sole and exclusive option, elect to place in trust, set aside or otherwise segregate assets to fund or offset liabilities in respect of the Plan or Participants' Plan accounts. Any such assets would be and must remain general assets of the Corporation subject to the claims of its creditors. Neither the Corporation nor this Plan gives a Participant any beneficial ownership interest in any assets of the Corporation.

Section 9.3 – Nonassignability

(a) No Participant or Beneficiary or any other person shall have the right to sell, assign, transfer, pledge, or otherwise encumber any interest in the Plan. All Plan Accounts and the rights to all distributions are unassignable and non-transferable. Plan Accounts or payments hereunder, prior to actual distribution, will not be subject to attachment or seizure for the payment of any debts, judgments or other obligations. Plan Accounts or any other Plan benefit will not be transferred by operation of law in the event of a Participant's or any Beneficiary's bankruptcy or insolvency.

(b) To the extent that any Participant, Beneficiary or other person receives an excess or erroneous distribution under the Plan, the amount of such excess or erroneous distribution shall be held in a constructive trust for the benefit of the Corporation and the Plan and shall be repaid by such person upon demand. The Committee may reduce any other benefit payable to such person or may pursue any remedy available at law or equity to recover the amount of such excess or erroneous distribution or the proceeds thereof. Notwithstanding the foregoing, the amount payable to a Participant or Beneficiary may be offset by any amount owed to any RTX Company to the extent permitted by Section 409A.

(c) The Plan shall comply with the terms of any valid domestic relations order submitted to the Committee. Any payment of a Participant's Plan Account to a party other than the Participant pursuant to the terms of a domestic relations order shall be charged against and reduce the Participant's Plan Account. Neither the Plan, the Corporation, the Committee, nor any other party shall be liable in any manner to any person, including but not limited to any Participant or Beneficiary, for complying with the terms of a domestic relations order.

Section 9.4 – No Contract of Employment

Participation in the Plan shall not be construed to constitute a direct or indirect contract of employment between any RTX Company and any Participant. Participants and Beneficiaries will have no rights against any RTX Company resulting from participation in the Plan other than as specifically provided herein. Nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of any RTX Company for any length of time or to interfere with the right of any RTX Company to terminate a Participant's employment.

Section 9.5 – Governing Law

The provisions of the Plan will be construed and interpreted according to the laws of the State of Delaware, to the extent not preempted by federal law.

Section 9.6 – Validity

If any provision of the Plan is held to be illegal or invalid for any reason, the remaining provisions of the Plan will be construed and enforced as if such illegal and invalid provision had never been inserted herein.

Section 9.7 – Notice

Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if drafted to the attention of the Deferred Compensation Committee, and sent by first- class mail to RTX Corporation, c/o Vice President, Executive Compensation, 4 Farm Springs Road, Farmington, Connecticut 06032. Any notice or filing required or permitted to be given to any Participant or Beneficiary under the Plan shall be sufficient if provided either electronically, hand- delivered, or mailed to the address (or email address, as the case may be) of the Participant or Beneficiary then listed on the records of the Corporation. Any such notice will be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or email system.

Section 9.8 – Successors

The provisions of the Plan shall bind and inure to the benefit of the Corporation and its successors and assigns. The term "successors" as used herein shall include any corporate or other business entity, which by merger, consolidation, purchase or otherwise acquires all or substantially all of the business and assets of the Corporation, and successors of any such corporation or other business entity.

Section 9.9 – Incompetence

If the Committee determines, upon evidence satisfactory to the Committee, that any Participant or Beneficiary to whom a benefit is payable under the Plan is unable to care for his or her affairs because of illness or accident, any payment due (unless prior claim therefore shall have been made by a duly authorized guardian or other legal representative) may be paid, upon appropriate indemnification of the Committee and the Corporation, to the spouse of the Participant or other person deemed by the Committee to have incurred expenses for the benefit of and on behalf of such

Participant or Beneficiary. Any such distribution from a Participant's Plan Account shall be a complete discharge of any liability under the Plan with respect to the amount so paid.

Section 9.10 – Section 409A Compliance

To the extent that rights or distributions under this Plan are subject to Section 409A, the Plan shall be construed and administered in compliance with the conditions of Section 409A, and regulations and other guidance issued pursuant to Section 409A for deferral of income taxation.

Each payment that constitutes "nonqualified deferred compensation" subject to Section 409A of the Code shall be treated as a separate payment for purposes of Section 409A of the Code. Any distribution election that would not comply with Section 409A shall not be effective for purposes of this Plan. To the extent that a provision of this Plan does not comply with Section 409A, such provision shall be void and without effect. The Corporation does not warrant that the Plan will comply with Section 409A with respect to any Participant or with respect to any distribution. In no event shall any RTX Company; any director, officer, or employee of a RTX Company (other than the Participant); or any member of the Committee be liable for any additional tax, interest, or penalty incurred by a Participant or Beneficiary as a result of the Plan's failure to satisfy the requirements of Section 409A, or as a result of the Plan's failure to satisfy any other requirements of applicable tax laws.

ARTICLE X – ADMINISTRATION AND CLAIMS

Section 10.1 – Plan Administration

The Committee shall be solely responsible for the administration and operation of the Plan and shall be the "administrator" of the Plan for purposes of ERISA. The Committee shall have full and exclusive authority and discretion to interpret the provisions of the Plan and to establish such administrative procedures as it deems necessary and appropriate to carry out the purposes of the Plan. All decisions and interpretations of the Committee shall be final and binding on all parties.

Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the attention of the Deferred Compensation Committee via email to the RTX Total Rewards mailbox at RTXTotalRewards@rtx.com (preferred) or via postal mail to RTX Corporation, c/o Vice President, Executive Compensation, 4 Farm Springs Road, Farmington, CT 06032. The Committee shall respond in writing as soon as practicable.

Section 10.2 – Claim Procedures

A Participant or Beneficiary who believes that he or she has been denied a benefit to which he or she is entitled under the Plan (referred to in this Section 10.2 as a "Claimant") may file a written request with the Committee setting forth the claim. The Committee shall consider and resolve the claim as set forth below. In making a claim for benefits, a Participant must fully and finally exhaust the administrative claim and appeal procedures set out in this Section 10.2; failure to do so will cause the denial of benefits to be final and binding and preclude the Participant from filing suit in a court of law with respect to such claim.

(a) Upon receipt of a claim, the Committee shall advise the Claimant that a response will be forthcoming within ninety (90) days. The Committee may, however, extend the response period for up to an additional ninety (90) days for reasonable cause, and shall notify the Claimant of the reason for the extension and the expected response date. The Committee shall respond to the claim within the specified period.

(b) If the claim is denied in whole or in part, the Committee shall provide the Claimant with a written decision, using language calculated to be understood by the Claimant, setting forth (i) the specific reason or reasons for such denial; (ii) the specific reference to relevant provisions of this Plan on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation why such material or such information is necessary; (iv) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review; (v) the time limits for requesting a review of the claim; and (vi) the Claimant's right to bring an action for benefits under Section 502(a) of ERISA.

(c) Within sixty (60) days after the Claimant's receipt of the written decision denying the claim in whole or in part, the Claimant may request in writing that the Committee review the determination. The Claimant or his or her duly authorized representative may, but need not, review the relevant documents and submit issues and comments in writing for consideration by the Committee. If the Claimant does not request a review of the initial determination within such sixty (60)-day period, the Claimant shall be barred from challenging the determination.

(d) Within sixty (60) days after the Committee receives a request for review, it will review the initial determination. If special circumstances require that the sixty (60)-day time period be extended, the Committee will so notify the Claimant and will render the decision as soon as possible, but no later than one hundred twenty (120) days after receipt of the request for review.

(e) All decisions on review shall be final and binding with respect to all concerned parties, unless determined to be arbitrary and capricious by a court having jurisdiction. The decision on review shall set forth, in a manner calculated to be understood by the Claimant, (i) the specific reasons for the decision, including references to the relevant Plan provisions upon which the decision is based; (ii) the Claimant's right to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information, relevant to his or her benefits; and (iii) the Claimant's right to bring an action for benefits under Section 502(a) of ERISA.

(f) A Claimant who has exhausted all of the above claim procedures in this Section 10.1 and continues to contest the final determination of the Committee must bring an action for benefits under Section 502(a) of ERISA within one-year of the Committee's final determination of a denial for benefits under Section 10.1(e).

CERTAIN REGULATORY MATTERS

The Plan is subject to ERISA. However, because the Plan is an unfunded plan maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, the Plan is exempt from most of ERISA's requirements. Although the Plan is subject to Part 1 (Reporting and Disclosure) and Part 5 (Administration and Enforcement) of Title I, Subtitle B of ERISA, the Department of Labor has issued a regulation that exempts the Plan from most of ERISA's reporting and disclosure requirements. A portion of this Plan constitutes an "excess benefit plan" as defined in Section 3(36) of ERISA.

TO WHOM SHOULD QUESTIONS CONCERNING THE PLAN BE DIRECTED?

All questions concerning the operation of the Plan (including information concerning the administrators of the Plan) should be directed to the RTX Total Rewards mailbox to the attention of the Deferred Compensation Committee at RTXTotalRewards@rtx.com (preferred) or via postal mail to:

RTX Corporation
4 Farm Springs Road
Farmington, CT 06032
Attn: Vice President, Executive Compensation

RTX CORPORATION

By: /s/ Jeffrey W. Kridler
Jeffrey W. Kridler
Corporate Vice President, Total Rewards

Attest: /s/ Christine L. Hill
Christine L. Hill
Vice President & Associate General Counsel,
Executive & Global Compensation & Benefits

RTX CORPORATION
2018 LONG-TERM INCENTIVE PLAN

(As Amended and Restated as of October 1, 2023)

SECTION 1: PURPOSE; DEFINITIONS

The purpose of this Plan is to enable the Corporation to implement a compensation program that correlates compensation opportunities with shareowner value, focuses Management on long-term, sustainable performance, and provides the Corporation with a competitive advantage in attracting, retaining and motivating officers, employees and directors.

For purposes of this Plan, the following terms are defined as set forth below:

- a. “Affiliate” means a company or other entity in which the Corporation has an equity or other financial interest, including joint ventures and partnerships.
- b. “Applicable Exchange” means the New York Stock Exchange or such other securities exchange as may at the applicable time be the principal market for the Common Stock.
- c. “Award” means a Stock Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Other Stock-Based Award or Cash Award granted pursuant to the terms of this Plan.
- d. “Award Agreement” means a written or electronic document or agreement setting forth the terms and conditions of a specific Award.
- e. “Board” means the Board of Directors of the Corporation.
- f. “Business Combination” has the meaning set forth in Section 10(e)(iii).
- g. “Cash Award” means an award granted to a Participant under Section 9 of this Plan.
- h. “Cause” means, unless otherwise provided in an Award Agreement: (i) conduct involving a felony criminal offense under U.S. federal or state law or an equivalent violation of the laws of any other country; (ii) dishonesty, fraud, self-dealing or material violations of civil law in the course of fulfilling the Participant’s employment duties; (iii) breach of the Participant’s intellectual property agreement or other written agreement with the Corporation; (iv) willful misconduct injurious to the Corporation or any of its Subsidiaries or Affiliates as shall be determined by the Committee; (v) negligent conduct injurious to the Corporation and any of its Subsidiaries and Affiliates, including negligent supervision of a subordinate who causes significant harm to the Corporation as determined by the Committee; or (vi) prior to a Change-in-Control, such other events as shall be determined by the Committee. Notwithstanding the general rule of Section 2(c), following a Change-in-Control, any determination by the Committee as to whether “Cause” exists shall be subject to de novo review.
- i. “Change-in-Control” has the meaning set forth in Section 10(e).

- j. “Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.
- k. “Committee” means the Committee referred to in Section 2.
- l. “Common Stock” means common stock, par value \$1 per share, of the Corporation.
- m. “Corporate Transaction” has the meaning set forth in Section 3(e).
- n. “Corporation” means RTX Corporation, a Delaware corporation, or its successor.
- o. “Disability” means permanent and total disability as determined under the Corporation’s long-term disability plan applicable to the Participant, or if there is no such plan applicable to the Participant, “Disability” means a determination of total disability by the Social Security Administration; provided that, in either case, the Participant’s condition also qualifies as a “disability” for purposes of Section 409A(a)(2)(C) of the Code, with respect to an Award that constitutes “nonqualified deferred compensation” subject to Section 409A of the Code.
- p. “Disaffiliation” means a Subsidiary’s or an Affiliate’s ceasing to be a Subsidiary or Affiliate for any reason (including as a result of a public offering, or a spinoff or sale by the Corporation, of the stock of the Subsidiary or Affiliate) or a sale of a division of the Corporation and its Affiliates.
- q. “Effective Date” has the meaning set forth in Section 12(a).
- r. “Eligible Individuals” means directors, officers, and employees of the Corporation or any of its Subsidiaries or Affiliates, and prospective directors, officers and employees who have accepted offers of employment or consultancy from the Corporation or its Subsidiaries or Affiliates.
- s. “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.
- t. “Fair Market Value” means, except as otherwise determined by the Committee, the closing price of a Share on the Applicable Exchange on the date of measurement or, if Shares were not traded on the Applicable Exchange on such measurement date, then on the preceding date on which Shares were traded on the Applicable Exchange, as reported by such source as the Committee may select. If there is no regular public trading market for such Common Stock, the Fair Market Value of the Common Stock shall be determined by the Committee in good faith and, to the extent applicable, such determination shall be made in a manner that satisfies Sections 409A and Sections 422(c)(1) of the Code.
- u. “Forfeiture Amount” has the meaning set forth in Section 14(i).
- v. “Full-Value Award” means any Award other than a Stock Appreciation Right, Stock Option or Cash Award.
- w. “Good Reason” means, the occurrence of any of the following without a Participant’s consent: (i) a material reduction in the Participant’s annual base salary, annual bonus opportunities, long-term incentive opportunities or other compensation and benefits in the aggregate from those in effect immediately prior to

the Change-in-Control; (ii) a material diminution in the Participant's title, duties, authority, responsibilities, functions or reporting relationship from those in effect immediately prior to the Change-in-Control; or (iii) a mandatory relocation of the Participant's principal location of employment greater than 50 miles from immediately prior to the Change-in-Control. In order to invoke a termination for Good Reason, the Participant shall provide written notice to the Corporation of the existence of one or more of the conditions described in clauses (i) through (iii) within 90 days following the Participant's knowledge of the initial existence of such condition or conditions, and the Corporation shall have 30 days following receipt of such written notice (the "Cure Period") during which it may cure the condition, if curable. If the Corporation fails to cure the condition constituting Good Reason during the Cure Period, the Participant must terminate employment, if at all, within one year following the end of the Cure Period in order for such termination to constitute a termination for Good Reason. The Participant's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (iii) shall not affect the Participant's ability to terminate employment for Good Reason.

- x. "Grant Date" means (i) the date on which the Committee or its delegate, as applicable, selects an Eligible Individual to receive a grant of an Award and determines the number of Shares, or the formula for earning a number of Shares, to be subject to such Award or the cash amount subject to such Award and all other material terms applicable to such Award; or (ii) such later date as the Committee or its delegate shall provide.
- y. "Incentive Stock Option" means any Stock Option designated in the applicable Award Agreement as an "incentive stock option" within the meaning of Section 422 of the Code, and that in fact so qualifies.
- z. "Incumbent Board" has the meaning set forth in Section 10(e)(ii).
- aa. "Individual Agreement" means, after a Change-in-Control, (i) a change-in-control or severance agreement between a Participant and the Corporation or one of its Affiliates, or (ii) a change-in-control or severance plan covering a Participant that is sponsored by the Corporation or one of its Affiliates.
- bb. "Nonqualified Stock Option" means any Stock Option that is not an Incentive Stock Option.
- cc. "Other Stock-Based Award" means an award granted to a Participant under Section 8 of this Plan.
- dd. "Outstanding Corporation Common Stock" has the meaning set forth in Section 10(e)(i).
- ee. "Outstanding Corporation Voting Securities" has the meaning set forth in Section 10(e)(i).
- ff. "Participant" means an Eligible Individual to whom an Award is or has been granted.
- gg. "Performance Goals" means the performance goals established by the Committee in connection with the grant of an Award which may be based on attainment of specified levels of one or more of the following measures, or of any other measures determined by the Committee in its discretion: stock price, total shareholder return, earnings (whether based on earnings before taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization), earnings per share, return on equity, return on sales, return on assets or operating or net assets, market share, objective customer service measures or indices, pre- or after-tax income, net income, cash flow (before or after dividends or other adjustments), free cash flow, cash flow per share (before or after dividends or other adjustments), gross margin, working capital and gross inventory turnover, risk-based capital, revenues, revenue growth, return on capital

(whether based on return on total capital or return on invested capital), cost control, gross profit, operating profit, unit volume, sales, in each case with respect to the Corporation or any one or more Subsidiaries, Affiliates, divisions, business units or business segments thereof, either in absolute terms or relative to the performance of one or more other companies (including an index covering multiple companies).

- hh. "Person" has the meaning set forth in Section 10(e)(i).
- ii. "Plan" means the RTX Corporation 2018 Long-Term Incentive Plan, as set forth herein and as amended from time to time.
- jj. "Prior Plan" means the amended and restated United Technologies Corporation Long-Term Incentive Plan.
- kk. "Replaced Award" has the meaning set forth in Section 10(b).
- ll. "Replacement Award" has the meaning set forth in Section 10(b).
- mm. "Section 16(b)" has the meaning set forth in Section 11(a).
- nn. "Share" means a share of the Corporation's Common Stock.
- oo. "Stock Appreciation Right" means an Award granted under Section 5(a).
- pp. "Stock Option" means an Award granted under Section 5(b).
- qq. "Subsidiary" means any corporation, partnership, joint venture, limited company or other entity during any period in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Corporation or any successor to the Corporation.
- rr. "Term" means the maximum period during which a Stock Appreciation Right or Stock Option may remain outstanding, subject to earlier termination upon Termination of Service or otherwise, as specified in the applicable Award Agreement.
- ss. "Termination of Service" means the termination of the applicable Participant's employment with, or performance of services for, the Corporation and any of its Subsidiaries or Affiliates. Unless otherwise determined by the Committee: (i) if a Participant's employment with the Corporation and its Affiliates terminates but such Participant continues to provide services to the Corporation and its Affiliates in a non-employee capacity, such change in status shall not be deemed a Termination of Service, (ii) a Participant employed by, or performing services for, a Subsidiary or an Affiliate or a division of the Corporation and its Affiliates shall also be deemed to incur a Termination of Service if, as a result of a Disaffiliation, such Subsidiary, Affiliate or division ceases to be a Subsidiary, Affiliate or division, as the case may be, and the Participant does not immediately thereafter become an employee of, or service provider for, the Corporation or another Subsidiary or Affiliate, and (iii) a Participant shall not be deemed to have incurred a Termination of Service solely by reason of such individual's incurrence of a Disability. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Corporation and its Subsidiaries and Affiliates shall not be considered a Termination of Service. Absences from employment by reason of notice periods, garden leaves or similar paid leaves implemented in contemplation of a permanent termination of employment shall not be recognized as service under this Plan. Notwithstanding the foregoing provisions of this definition, with respect to any Award that constitutes "nonqualified deferred

compensation” subject to Section 409A of the Code, a Participant shall not be considered to have experienced a “Termination of Service” unless the Participant has experienced a “separation from service” within the meaning of Section 409A of the Code (a “Separation from Service”), and a Separation from Service shall be deemed to occur where the Participant and the Corporation and its Subsidiaries and Affiliates reasonably anticipate that the bona fide level of services that the Participant will perform (whether as an employee or as an independent contractor) will be permanently reduced to a level that is less than thirty-seven and a half percent (37.5%) of the average level of bona fide services the Participant performed during the immediately preceding 36 months (or the entire period the Participant has provided services if the Participant has been providing services to the Corporation and/or any of its Subsidiaries or Affiliates for less than 36 months).

SECTION 2. ADMINISTRATION

- a. *Committee.* This Plan shall be administered by the Board directly, or if the Board elects, by the Human Capital & Compensation Committee or such other committee of the Board as the Board may from time to time designate, which committee shall be composed of not less than two directors and shall be appointed by and serve at the pleasure of the Board. All references in this Plan to the “Committee” refer to the Board as a whole, unless a separate committee has been designated or authorized consistent with the foregoing.

Subject to the terms and conditions of this Plan, the Committee shall have absolute authority:

- i. To select the Eligible Individuals to whom Awards may from time to time be granted;
- ii. To determine whether and to what extent Stock Appreciation Rights, Incentive Stock Options, Nonqualified Stock Options, Restricted Stock Units, Restricted Stock, Other Stock-Based Awards and Cash Awards or any combination thereof are to be granted hereunder;
- iii. To determine the number of Shares to be covered by each Award granted hereunder;
- iv. To approve the form of any Award Agreement and determine the terms and conditions of any Award granted hereunder, including, but not limited to, the exercise price (subject to Section 5(c)), any vesting condition, restriction or limitation (which may be related to the performance of the Participant, the Corporation or any Subsidiary or Affiliate), treatment on Termination of Service, and any vesting acceleration or forfeiture waiver regarding any Award and the Shares relating thereto, based on such factors as the Committee shall determine;
- v. To modify, amend or adjust the terms and conditions (including, but not limited to, Performance Goals and measured results when necessary or appropriate for the purposes of preserving the validity of the goals as originally set by the Committee) of any Award (subject to Sections 5(d) and 5(e)), from time to time, including, without limitation, in order to comply with tax and securities laws, including laws of countries outside of the United States, and to comply with changes of law and accounting standards;
- vi. To establish sub-plans and to determine to what extent and under what circumstances Common Stock or cash payable with respect to an Award shall be deferred either automatically or at the election of a Participant under such sub-plans;
- vii. To determine under what circumstances an Award may be settled in cash, Shares, other property or a combination of the foregoing;

- viii. To adopt, alter and repeal such administrative rules, guidelines and practices governing this Plan as it shall, from time to time, deem advisable;
- ix. To establish any “blackout” period that the Committee in its sole discretion deems necessary or advisable;
- x. To interpret the terms and provisions of this Plan and any Award issued under this Plan (and any Award Agreement relating thereto);
- xi. To decide all other matters that must be determined in connection with an Award; and
- xii. To otherwise administer this Plan.

b. *Procedures.*

- i. The Committee may act only by a majority of its members then in office, except that the Committee may, except to the extent prohibited by applicable law, including Section 157(c) of the Delaware General Corporation Law, or the listing standards of the Applicable Exchange, allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.
 - ii. Subject to Section 11(a), any authority granted to the Committee may be exercised by the full Board. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.
- c. *Discretion of Committee.* Subject to Section 1(i), any determination made by the Committee or pursuant to delegated authority under the provisions of this Plan with respect to any Award shall be made in the sole discretion of the Committee or such delegate at the time of the grant of the Award or, unless in contravention of any express term of this Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated person pursuant to the provisions of this Plan shall be final, binding and conclusive on all persons, including the Corporation, Participants and Eligible Individuals.
- d. *Cancellation or Suspension.* Subject to Section 5(d), the Committee shall have full power and authority to determine whether, to what extent and under what circumstances any Award shall be canceled or suspended.
- e. *Award Agreements.* The terms and conditions of each Award, as determined by the Committee, shall be set forth in a written (or electronic) Award Agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the grant of such Award. The effectiveness of an Award shall be subject to the Participant’s acceptance of the applicable Award Agreement within the time period specified in the Award Agreement, unless otherwise provided in the Award Agreement. Award Agreements may be amended only in accordance with Section 12(d) hereof.
- f. *Minimum Vesting Period.* Except for Awards granted with respect to a maximum of five percent of the Shares authorized in the first sentence of Section 3(a), Award Agreements shall not provide for a designated vesting period of less than one year.

- g. *Foreign Employees and Foreign Law Considerations.* The Committee may grant Awards to Eligible Individuals who are foreign nationals, who are located outside the United States, who are not compensated from a payroll maintained in the United States, and/or who are otherwise subject to (or could cause the Corporation to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, and, in furtherance of such purposes, the Committee may adopt such procedures or sub-plans as may be necessary or advisable to comply with such legal or regulatory provisions.

SECTION 3. COMMON STOCK SUBJECT TO PLAN

- a. *Authorized Shares.* The maximum number of Shares that may be issued pursuant to Awards granted under this Plan shall be the sum of (i) 75 million, (ii) the total number of Shares remaining available for new awards under the Plan as of immediately prior to the Effective Date, and (iii) the total number of Shares subject to outstanding Awards under the Plan as of immediately prior to the Effective Date. Shares issued under this Plan may be authorized and unissued Shares, treasury Shares, or Shares purchased in the open market or otherwise, at the sole discretion of the Committee. Each Share issued pursuant to a Full-Value Award will result in a reduction of the number of Shares available for issuance under this Plan by 4.03 Shares. Each Share issued pursuant to a Stock Option or Stock Appreciation Right will result in a reduction of the number of Shares available for issuance under this Plan by one Share. To the extent that an award under this Plan is forfeited, terminates, expires or lapses without being exercised (to the extent applicable), or is settled for cash, the Shares subject to such award not delivered as a result thereof shall again be available for Awards under this Plan on the same share counting basis as provided under this paragraph (a).
- b. *Prior Plan.* Awards outstanding under the Prior Plan as of the April 30, 2018 shall remain in full force and effect under the Prior Plan according to their respective terms, and to the extent that any such award is forfeited, terminates, expires or lapses without being exercised (to the extent applicable), or is settled for cash, the Shares subject to such award not delivered as a result thereof shall again be available for Awards under this Plan on the same share counting basis as provided under paragraph (a) under this Section 3 (i.e., each Share subject to a Prior Plan full-value award will be added back as 4.03 Shares and each share subject to a Prior Plan stock option or stock appreciation right will be added back as one share); provided, however, that dividend equivalents may continue to be issued under the Corporation's Prior Plan in respect of awards granted under the Prior Plan which are outstanding as of the April 30, 2018.
- c. *Individual Limits.* A Participant who is not a non-employee director may not be granted: (i) Stock Appreciation Rights and Stock Options in excess of 1 million Shares during any calendar year, (ii) Full-Value Awards in excess of 500,000 Shares during any calendar year, or (iii) Cash Awards in excess of \$10 million. Compensation payable by the Corporation to any non-employee director of the Corporation, including Awards granted under this Plan (with Awards valued based on the fair value on the Grant Date for accounting purposes) and cash fees paid or credited, in respect of such non-employee director's service as a member of the Board during the calendar year, may not exceed \$1.5 million during any single calendar year.
- d. *Rules for Calculating Shares Issued.* To the extent that any Award is forfeited, terminates, expires or lapses instead of being exercised, or any Award is settled for cash, the Shares subject to such Awards will not be counted as Shares issued under this Plan. If the exercise price of any Stock Appreciation Right or Stock Option and/or the tax withholding obligations relating to any Award are satisfied by delivering Shares (either actually or through a signed document affirming the Participant's ownership and delivery of such Shares) or the Corporation withholding Shares relating to such Award, the gross number of Shares subject to the Award shall nonetheless be deemed to have been issued under this Plan. Shares reacquired by the

Corporation on the open market or otherwise using cash proceeds from the exercise of Stock Appreciation Rights or Stock Options shall not be available for Awards under the Plan.

e. *Adjustment Provisions.*

- i. In the event of a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, disposition for consideration of the Corporation's direct or indirect ownership of a Subsidiary or Affiliate (including by reason of a Disaffiliation), or similar event affecting the Corporation or any of its Subsidiaries (each, a "Corporate Transaction"), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to: (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under this Plan; (B) the various maximum limitations set forth in Section 3(c) applicable to the grants to individuals of certain types of Awards; (C) the number and kind of Shares or other securities subject to outstanding Awards; (D) financial goals or measured results to preserve the validity of the original goals set by the Committee; and (E) the exercise price of outstanding Awards.
- ii. In the event of a stock dividend, stock split, reverse stock split, reorganization, share combination, or recapitalization or similar event affecting the capital structure of the Corporation, or a Disaffiliation, separation or spinoff, in each case without consideration, or other extraordinary dividend of cash or other property to the Corporation's shareholders, the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to: (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under this Plan; (B) the various maximum limitations set forth in Section 3(c) applicable to the grants to individuals of certain types of Awards; (C) the number and kind of Shares or other securities subject to outstanding Awards; (D) financial goals or measured results to preserve the validity of the original goals set by the Committee; and (E) the exercise price of outstanding Awards.
- iii. In the case of Corporate Transactions, such adjustments may include: (A) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which shareholders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of a Stock Option or Stock Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each Share pursuant to such Corporate Transaction over the exercise price of such Stock Appreciation Right or Stock Option shall conclusively be deemed valid); (B) the substitution of other property (including cash or other securities of the Corporation and securities of entities other than the Corporation) for the Shares subject to outstanding Awards; and (C) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including other securities of the Corporation and securities of entities other than the Corporation), by the affected Subsidiary, Affiliate, or division or by the entity that controls such Subsidiary, Affiliate or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Corporation securities).
- iv. Any adjustments made pursuant to this Section 3(e) to Awards that are considered "nonqualified deferred compensation" subject to Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; and any adjustments made pursuant to Section 3(e) to

Awards that are not considered “deferred compensation” subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustments, either: (A) the Awards continue not to constitute “deferred compensation” subject to Section 409A of the Code; or (B) there does not result in the imposition of any penalty taxes under Section 409A of the Code in respect of such Awards.

- v. Any adjustment under this Section 3(e) need not be applied uniformly to all Participants.

SECTION 4: ELIGIBILITY

Awards may be granted under this Plan to Eligible Individuals; provided, however, that Incentive Stock Options may be granted only to employees of the Corporation and its subsidiaries or Parent Corporation (within the meaning of Section 424(f) of the Code).

SECTION 5: STOCK APPRECIATION RIGHTS AND STOCK OPTIONS

- a. *Nature of Stock Appreciation Rights.* Upon the exercise of a Stock Appreciation Right, the Participant shall be entitled to receive an amount in cash, or Shares with a Fair Market Value, equal to the product of (i) the excess of the Fair Market Value of one Share over the exercise price of the applicable Stock Appreciation Right, multiplied by (ii) the number of Shares in respect of which the Stock Appreciation Right has been exercised. The applicable Award Agreement shall specify whether such payment is to be made in cash or Common Stock or shall reserve to the Committee or the Participant the right to make that determination prior to or upon the exercise of the Stock Appreciation Right.
- b. *Types of Stock Options.* Stock Options may be granted in the form of Incentive Stock Options or Nonqualified Stock Options. The Award Agreement for a Stock Option shall indicate whether the Stock Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option.
- c. *Exercise Price.* The exercise price per Share subject to a Stock Appreciation Right or Stock Option shall be determined by the Committee and set forth in the applicable Award Agreement and shall not be less than the Fair Market Value of a Share on the applicable Grant Date. In no event may any Stock Appreciation Right or Stock Option granted under this Plan be amended, other than pursuant to Section 3(e), to decrease the exercise price thereof, be cancelled in exchange for cash (where such Stock Appreciation Right or Stock Option currently hold no value), or other Awards or in conjunction with the grant of any new Stock Appreciation Right or Stock Option with a lower exercise price, or otherwise be subject to any action that would be treated, under the Applicable Exchange listing standards or for accounting purposes, as a “repricing” of such Stock Appreciation Right or Stock Option, unless such amendment, cancellation or action is approved by the Corporation’s shareholders.
- d. *Term.* The Term of each Stock Appreciation Right and each Stock Option shall be fixed by the Committee, but no Stock Appreciation Right or Stock Option shall be exercisable more than 10 years after its Grant Date.
- e. *Exercisability; Method of Exercise.* Except as otherwise provided herein, Stock Appreciation Rights and Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. Subject to the provisions of this Section 5, Stock Appreciation Rights and Stock Options may be exercised, in whole or in part in accordance with the methods and procedures established by the Committee in the Award Agreement or otherwise.

- f. *Delivery; Rights of Shareowners.* A Participant shall not be entitled to delivery of Shares pursuant to the exercise of a Stock Appreciation Right or Stock Option until the exercise price therefore has been fully paid and applicable taxes have been withheld. Except as otherwise provided in Section 5(j), a Participant shall have all of the rights of a shareowner of the number of Shares deliverable pursuant to such Stock Appreciation Right or Stock Option (including, if applicable, the right to vote the applicable Shares), when the Participant: (i) has given written notice of exercise; (ii) if requested, has given the representation described in Section 14(a); and (iii) in the case of a Stock Option, has paid in full for such Shares.
- g. *Nontransferability of Stock Appreciation Rights and Stock Options.* No Stock Appreciation Right or Stock Option shall be transferable by a Participant other than, for no value or consideration: (i) by will or by the laws of descent and distribution; or (ii) in the case of a Stock Appreciation Right or Nonqualified Stock Option, as otherwise expressly permitted by the Committee including, if so permitted, pursuant to a transfer to such Participant's family members, whether directly or indirectly, or by means of a trust or partnership or otherwise (for purposes of this Plan, unless otherwise determined by the Committee, "family member" shall have the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto). Any Stock Appreciation Right or Stock Option shall be exercisable, subject to the terms of this Plan, only by the Participant, the guardian or legal representative of the Participant, or any person to whom such Stock Appreciation Rights or Stock Option is transferred pursuant to this Section 5(g), it being understood that the term "holder" and "Participant" include such guardian, legal representative and other transferee; provided, however, that the term "Termination of Service" shall continue to refer to the Termination of Service of the original Participant. No Participant may enter into any agreement for the purpose of selling, transferring or otherwise engaging in any transaction that has the effect of exchanging his or her economic interest in any Award to another person or entity for a cash payment or other consideration unless first approved by a majority of the Corporation's shareowners.
- h. *Termination of Service.* The effect of a Participant's Termination of Service on any Stock Appreciation Right or Stock Option then held by the Participant shall be set forth in the applicable Award Agreement.
- i. *Additional Rules for Incentive Stock Options.* Notwithstanding any other provision of this Plan to the contrary, no Stock Option that is intended to qualify as an Incentive Stock Option may be granted to any Eligible Individual who at the time of such grant owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or of any Subsidiary, unless at the time such Stock Option is granted the exercise price is at least 110% of the Fair Market Value of a Share and such Stock Option by its terms is not exercisable after the expiration of five years from the date such Stock Option is granted. In addition, the aggregate Fair Market Value of the Common Stock (determined at the time a Stock Option for the Common Stock is granted) for which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year, under all of the incentive stock option plans of the Corporation and of any Subsidiary, may not exceed \$100,000. To the extent a Stock Option that by its terms was intended to be an Incentive Stock Option exceeds this \$100,000 limit, the portion of the Stock Option in excess of such limit shall be treated as a Nonqualified Stock Option.
- j. *Dividends and Dividend Equivalents.* Dividends (whether paid in cash or Shares) and dividend equivalents may not be paid or accrued on Stock Appreciation Rights or Stock Options; provided that Stock Appreciation Rights and Stock Options may be adjusted under certain circumstances in accordance with the terms of Section 3(e).

SECTION 6: RESTRICTED STOCK

- a. *Administration.* Shares of Restricted Stock are actual Shares issued to a Participant and may be awarded either alone or in addition to other Awards granted under this Plan. The Committee shall determine the Eligible Individuals to whom and the time or times at which grants of Restricted Stock will be awarded, the number of Shares to be awarded to any Eligible Individual, the conditions for vesting, the time or times within which such Awards may be subject to forfeiture, and any other terms and conditions of the Awards, in addition to those contained in Section 6(c).
- b. *Book Entry Registration or Certificated Shares.* Shares of Restricted Stock shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates registered in the name of the Participant and bearing an appropriate legend referring to the terms, conditions and restrictions applicable to such Award.
- c. *Terms and Conditions.* Shares of Restricted Stock shall be subject to the following terms and conditions and such other terms and conditions as are set forth in the applicable Award Agreement (including the vesting or forfeiture provisions applicable upon a Termination of Service):
 - i. The Committee shall, prior to or at the time of grant, condition: (A) the vesting of an Award of Restricted Stock upon the continued service of the applicable Participant, or (B) the grant or vesting of an Award of Restricted Stock upon the attainment of Performance Goals, or the attainment of Performance Goals and the continued service of the applicable Participant. The conditions for grant or vesting and the other provisions of Restricted Stock Awards (including any applicable Performance Goals) need not be the same with respect to each recipient.
 - ii. Subject to the provisions of this Plan and the applicable Award Agreement, during the period, if any, set by the Committee, commencing with the date of such Restricted Stock Award for which such vesting restrictions apply, and until the expiration of such period, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Shares of Restricted Stock.
- d. *Rights of a Shareowner.* Except as provided in this Section 6 and the applicable Award Agreement, the applicable Participant shall have, with respect to the Shares of Restricted Stock, all of the rights of a shareowner of the Corporation holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the Shares and the right to receive any dividends (subject to Section 14(e)).
- e. *Termination of Service.* The effect of a Participant's Termination of Service on his or her Restricted Stock shall be set forth in the applicable Award Agreement.

SECTION 7: RESTRICTED STOCK UNITS

- a. *Nature of Awards.* Restricted stock units and deferred stock units (together, "Restricted Stock Units") are Awards denominated in Shares that will be settled, subject to the terms and conditions of the Restricted Stock Units, in a specified number of Shares or an amount of cash equal to the Fair Market Value of a specified number of Shares.
- b. *Terms and Conditions.* Restricted Stock Units shall be subject to the following terms and conditions and such other terms and conditions as are set forth in the applicable Award Agreement (including the vesting or forfeiture provisions applicable upon a Termination of Service):

- i. The Committee shall, prior to or at the time of grant, condition: (A) the vesting of Restricted Stock Units upon the continued service of the applicable Participant, or (B) the grant or vesting of Restricted Stock Units upon the attainment of Performance Goals, or the attainment of Performance Goals and the continued service of the applicable Participant. The conditions for grant or vesting and the other provisions of Restricted Stock Units (including any applicable Performance Goals) need not be the same with respect to each recipient. An Award of Restricted Stock Units shall be settled as and when the Restricted Stock Units vest, at a later time specified by the Committee in the applicable Award Agreement, or, if the Committee so permits, in accordance with an election of the Participant.
 - ii. The Award Agreement for Restricted Stock Units shall specify whether, to what extent and on what terms and conditions the applicable Participant shall be entitled to receive payments corresponding to the dividends payable on the Common Stock (subject to Section 14(e)).
- c. *Rights of a Shareowner.* A Participant to whom Restricted Stock Units are awarded shall have no rights as a shareowner with respect to the Shares represented by the Restricted Stock Units unless and until Shares are actually delivered to the Participant in settlement thereof.
- d. *Termination of Service.* The effect of a Participant's Termination of Service on his or her Restricted Stock Units shall be set forth in the applicable Award Agreement.

SECTION 8: OTHER STOCK-BASED AWARDS

The Committee may grant equity-based or equity-related awards not otherwise described herein in such amounts and subject to such terms and conditions consistent with the terms of this Plan as the Committee shall determine. Without limiting the generality of the preceding sentence, each such Other Stock-Based Award may: (a) involve the transfer of actual Shares to Participants, either at the time of grant or thereafter, or payment in cash or otherwise of amounts based on the value of Shares; (b) be subject to performance-based and/or service-based conditions; (c) be in the form of phantom stock, restricted stock, restricted stock units, performance shares, deferred share units or share-denominated performance units, or other awards denominated in, or with a value determined by reference to, a number of Shares that is specified at the time of the grant of such award; and (d) be designed to comply with applicable laws of jurisdictions other than the United States.

SECTION 9: CASH AWARDS

The Committee may grant awards that are denominated and payable in cash in such amounts and subject to such terms and conditions consistent with the terms of this Plan as the Committee shall determine.

SECTION 10: CHANGE-IN-CONTROL PROVISIONS

- a. *General.* The provisions of this Section 10 shall, subject to Section 3(e), apply notwithstanding any other provision of this Plan to the contrary, except to the extent the Committee specifically provides otherwise in an Award Agreement.
- b. *Impact of Change-in-Control.* Upon the occurrence of a Change-in-Control: (i) all then-outstanding Stock Appreciation Rights and Stock Options shall become fully vested and exercisable, all Full-Value Awards (other than performance-based Awards), and all Cash Awards (other than performance-based Awards) shall vest in full, be free of restrictions, and be deemed to be earned and payable in an amount equal to the full value of such Award, except in each case to the extent that another Award meeting the requirements

of Section 10(c) (any award meeting the requirements of Section 10(c), a “Replacement Award”) is provided to the Participant pursuant to Section 3(e) to replace such Award (any award intended to be replaced by a Replacement Award, a “Replaced Award”), and (ii) any performance-based Award that is not replaced by a Replacement Award shall be deemed to be earned and payable in an amount equal to the full value of such performance-based Award (with all applicable Performance Goals deemed achieved at the greater of (x) the applicable target level; and (y) the level of achievement as determined by the Committee not later than the date of the Change-in-Control, taking into account performance through the latest date preceding the Change-in-Control as to which performance can, as a practical matter, be determined (but not later than the end of the applicable performance period).

- c. *Replacement Awards.* An Award shall meet the conditions of this Section 10(c) (and hence qualify as a Replacement Award) if: (i) it is of the same type as the Replaced Award (except that for any Replaced Award that is performance-based, the Replacement Award shall be subject solely to time-based vesting for the remainder of the applicable performance period (or such shorter period as determined by the Committee) and the applicable Performance Goals shall be deemed to be achieved at the greater of: (x) the applicable target level; and (y) the level of achievement as determined by the Committee taking into account performance through the latest date preceding the Change-in-Control as to which performance can, as a practical matter, be determined (but not later than the end of the applicable performance period)); (ii) it has a value equal to the value of the Replaced Award as of the date of the Change-in-Control, as determined by the Committee in its sole discretion consistent with Section 3(e); (iii) the underlying Replaced Award was an equity-based award, it relates to publicly traded equity securities of the Corporation or the entity surviving the Corporation following the Change-in-Control; (iv) it contains terms relating to time-based vesting (including with respect to a Termination of Service) that are substantially identical to those of the Replaced Award; and (v) its other terms and conditions are not less favorable to the Participant than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change-in-Control) as of the date of the Change-in-Control. Without limiting the generality of the foregoing, a Replacement Award may take the form of a continuation of the applicable Replaced Award if the requirements of the preceding sentence are satisfied. If a Replacement Award is granted, the Replaced Award shall not vest upon the Change-in-Control. The determination whether the conditions of this Section 10(c) are satisfied shall be made by the Committee, as constituted immediately before the Change-in-Control, in its sole discretion.
- d. *Termination of Service.* Notwithstanding any other provision of this Plan to the contrary, and unless otherwise determined by the Committee and set forth in the applicable Award Agreement, upon a Termination of Service of a Participant by the Corporation other than for Cause or by the Participant for Good Reason within 24 months (or such longer period as is specified in the applicable Award Agreement) following a Change-in-Control: (i) all Replacement Awards held by such Participant shall vest in full and be free of restrictions, and (ii) unless otherwise provided in the applicable Award Agreement, notwithstanding any other provision of this Plan to the contrary, any Stock Appreciation Right or Stock Option held by the Participant as of the date of the Change-in-Control that remains outstanding as of the date of such Termination of Service may thereafter be exercised until the expiration of the stated full Term of such Stock Appreciation Right or Nonqualified Stock Option.
- e. *Definition of Change-in-Control.* For purposes of this Plan, a “Change-in-Control” shall mean the happening of any of the following events:

- i. An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either: (1) the then outstanding shares of common stock of the Corporation (the “Outstanding Corporation Common Stock”); or (2) the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the “Outstanding Corporation Voting Securities”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change-in-Control: (1) any acquisition directly from the Corporation, (2) any acquisition by the Corporation, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any entity controlled by the Corporation, or (4) any acquisition by any entity pursuant to a transaction that complies with clauses (1), (2) and (3) of subsection (iii) of this Section 10(e); or
- ii. A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that, for purposes of this Section 10(e), any individual who becomes a member of the Board subsequent to the Effective Date whose election, or nomination for election by the Corporation’s shareowners, was approved by a vote of at least two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; provided, further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be considered as a member of the Incumbent Board; or
- iii. The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries or sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or securities of another entity by the Corporation or any of its subsidiaries (a “Business Combination”), in each case, unless, following such Business Combination, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a noncorporate entity, equivalent securities), as the case may be, of the entity resulting from such Business Combination (including an entity that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (2) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then

outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination, and (3) at least a majority of the members of the Board of Directors (or, for a noncorporate entity, equivalent body or committee) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

- iv. The approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.
- f. Notwithstanding any other provision of this Plan, any Award Agreement or any Individual Agreement, for any Award that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code, a Change-in-Control shall not constitute a settlement or distribution event with respect to such Award, or an event that otherwise changes the timing of settlement or distribution of such Award, unless the Change-in-Control also constitutes an event described in Section 409A(a) (2) (v) of the Code and the regulations promulgated thereunder (a "Section 409A CIC"); provided, however, that whether or not a Change-in-Control is a Section 409A CIC, such Change-in-Control shall result in the accelerated vesting of such Award to the extent provided by the Award Agreement, this Plan, any Individual Agreement or otherwise by the Committee.

SECTION 11: SECTION 16(B); SECTION 409A

- a. The provisions of this Plan are intended to ensure that no transaction under this Plan is subject to (and all such transactions will be exempt from) the short-swing profit recovery rules of Section 16(b) of the Exchange Act ("Section 16(b)"). Accordingly, the composition of the Committee shall be subject to such limitations as the Board deems appropriate to permit transactions pursuant to this Plan to be exempt (pursuant to Rule 16b-3 promulgated under the Exchange Act) from Section 16(b), and no delegation of authority by the Committee shall be permitted if such delegation would cause any such transaction to be subject to (and not exempt from) Section 16(b).
- b. This Plan and the Awards granted hereunder are intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A of the Code, it is intended that this Plan be administered and interpreted in all respects in accordance with Section 409A of the Code. Each payment under any Award that constitutes "nonqualified deferred compensation" subject to Section 409A of the Code shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under any Award that constitutes "nonqualified deferred compensation" subject to Section 409A of the Code. Notwithstanding any other provision of this Plan or any Award Agreement to the contrary, if a Participant is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Corporation), amounts that constitute "nonqualified deferred compensation" subject to Section 409A of the Code that would otherwise be payable by reason of a Participant's Separation from Service during the six-month period immediately following such Separation from Service shall instead be paid or provided on the first business day following the date that is six months following the Participant's Separation from Service. If the Participant dies following the Separation from Service and prior to the payment of any amounts delayed on account of Section 409A of the Code, such amounts shall be paid to the personal representative of the Participant's estate within 30 days following the date of the Participant's death.

SECTION 12: TERM, AMENDMENT AND TERMINATION

- a. *Effectiveness.* This Plan was originally approved by the Board on February 5, 2018, subject to and contingent upon approval by the Corporation's shareowners.
 - i. The Plan was amended and restated effective April 26, 2021, (the "Effective Date"), following approval by the Corporation's shareowners on such date.
 - ii. The Plan is hereby further amended and restated effective as of October 1, 2023, for the purposes of renaming the Plan, the RTX Corporation 2018 Long-Term Incentive Plan, changing all company references from 'Raytheon Technologies Corporation' to 'RTX Corporation', updating the name of the 'Compensation Committee' to the 'Human Capital & Compensation Committee', clarifying that Awards are subject to all applicable clawback policies, and certain other administrative changes.
- b. *Termination.* This Plan will terminate on the tenth anniversary of the Effective Date. Awards outstanding as of such date shall not be affected or impaired by the termination of this Plan.
- c. *Amendment of Plan.* The Board or the Committee may amend, alter, or discontinue this Plan, but no amendment, alteration or discontinuation shall be made that would materially impair the rights of the Participant with respect to a previously granted Award without such Participant's consent, except such an amendment made to comply with applicable law, including Section 409A of the Code, Applicable Exchange listing standards, tax or accounting rules. In addition, no amendment shall be made without the approval of the Corporation's shareowners to the extent such approval is required by applicable law or the listing standards of the Applicable Exchange.
- d. *Amendment of Awards.* Subject to Section 5(c), the Committee may unilaterally amend the terms of any Award theretofore granted, but no such amendment shall, without the Participant's consent, materially impair the rights of any Participant with respect to an Award, except such an amendment made to cause this Plan or Award to comply with applicable law, including Section 409A of the Code, Applicable Exchange listing standards, tax or accounting rules.

SECTION 13: UNFUNDED STATUS OF PLAN

Neither the Corporation nor the Committee shall have any obligation to segregate assets or establish a trust or other arrangements to meet the obligations created under the Plan. Any liability of the Corporation to any Participant with respect to an Award shall be based solely upon contractual obligation created by the Plan and the Award Agreement. No such obligation shall be deemed to be secured by any pledge or encumbrance on the property of the Corporation.

SECTION 14: GENERAL PROVISIONS

- a. *Conditions for Issuance.* The Committee may require each person purchasing or receiving Shares pursuant to an Award to represent to and agree with the Corporation in writing that such person is acquiring the Shares without a view to the distribution thereof. The certificates for such Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer. Notwithstanding any other provision of this Plan or agreements made pursuant thereto, the Corporation

shall not be required to issue or deliver any Shares (whether in certificated or book-entry form) under this Plan prior to fulfillment of all of the following conditions:

- i. listing or approval for listing upon notice of issuance, of such Shares on the Applicable Exchange;
 - ii. any registration or other qualification of such Shares of the Corporation under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification that the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and
 - iii. obtaining any other consent, approval, or permit from any state or federal governmental agency that the Committee shall, in its absolute discretion, determine to be necessary or advisable.
- b. *Additional Compensation Arrangements.* Nothing contained in this Plan shall prevent the Corporation or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.
- c. *No Contract of Employment.* This Plan shall not constitute a contract of employment, and adoption of this Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Corporation or any Subsidiary or Affiliate to terminate the employment of any employee at any time.
- d. *Required Taxes.* No later than the date as of which an amount first becomes includible in the gross income of a Participant for federal, state, local or foreign income, or employment or other tax purposes with respect to any Award under this Plan, such Participant shall pay to the Corporation, or make arrangements satisfactory to the Corporation regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Corporation, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement, having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes, all in accordance with such procedures as the Committee establishes. The obligations of the Corporation under this Plan shall be conditional on such payment or arrangements, and the Corporation and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.
- e. *Dividends and Dividend Equivalents.* Any dividends or dividend equivalents credited with respect to any Award will be subject to the same time- and/or performance-based vesting conditions applicable to such Award and shall, if vested, be delivered or paid at the same time as such Award.
- f. *Designation of Death Beneficiary.* To the extent the Committee permits beneficiary designations, the Committee may establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of such Participant's death are to be paid or by whom any rights of such Participant, after such Participant's death, may be exercised.

- g. *Governing Law and Interpretation.* This Plan and all Awards made, and actions taken hereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Plan are not part of the provisions hereof and shall have no force or effect. Whenever the words “include,” “includes” or “including” are used in this Plan, they shall be deemed to be followed by the words “but not limited to” and the word “or” shall be understood to mean “and/or” where the context so requires.
- h. *Non-Transferability.* Except as otherwise provided in Section 5(g), Awards under this Plan are not transferable except by will or by laws of descent and distribution.
- i. *Clawback Policies.*
 - i. All Awards granted under the Plan prior to December 6, 2020 remain subject to the terms and conditions of Section 14(i) of the Plan as in effect immediately prior to December 6, 2020.
 - ii. All Awards granted under the Plan (whether before, on or after December 6, 2020, including any proceeds from such Awards (whether paid in Shares or cash), shall be subject as applicable to any compensation clawback, recoupment or other similar policies required by law or regulations, or as adopted by the Board of Directors or the Human Capital & Compensation Committee of the Board of Directors, as such policies may be in effect from time to time.
 - iii. *Effect of Change-in-Control.* Notwithstanding the foregoing and notwithstanding anything to the contrary in any Award Agreement or otherwise, this Section 14(i) shall not be applicable to any Participant following a Change-in-Control, except as required by law.
 - iv. *Nonexclusive Remedy.* This Section 14(i) shall be a nonexclusive remedy and nothing contained in this Section 14(i) shall preclude the Corporation from pursuing any other applicable remedies available to it, whether in addition to, or in lieu of (except as required by law), application of this Section 14(i).

RTX CORPORATION
BOARD OF DIRECTORS
DEFERRED STOCK UNIT PLAN

(As Amended and Restated Effective October 1, 2023)

**RTX CORPORATION
BOARD OF DIRECTORS
DEFERRED STOCK UNIT PLAN
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APPENDIX A United Technologies Corporation Board of Directors Deferred Stock Unit Plan as in effect on October 3, 2004 (the “Prior Plan”)

**ARTICLE I
INTRODUCTION AND PURPOSE**

1.01 Purpose of Plan

The RTX Corporation Board of Directors Deferred Stock Unit Plan (the “Plan”) was established to provide an arrangement for non-employee directors to receive an annual Deferred Stock Unit Award and a New Director Restricted Stock Unit Award and the opportunity to defer their Annual Retainer in the form of deferred stock units equal in value to shares of the Corporation’s common stock for the purpose of aligning the interests of non-employee directors with those of the Corporation’s shareowners.

1.02 Effective Date of Plan and Amendments

(a) The Plan as originally adopted on January 1, 1996 was amended and restated effective January 1, 2005 for the purpose of complying with Section 409A of the Internal Revenue Code with respect to deferrals that were earned or vested after December 31, 2004. Amounts that were earned or vested (within the meaning of Section 409A) prior to January 1, 2005, and any subsequent increases in these amounts that are permitted to be treated as grandfathered benefits under Section 409A, are generally subject to and shall continue to be governed by the terms of the Prior Plan set forth in Appendix A.

(b) The Plan was amended and restated in 2010 for the purposes of: (i) revising the retainer structure; (ii) establishing share ownership guidelines for non-employee directors; and (iii) providing that distributions from this Plan and the Prior Plan will be comprised of shares of the Corporation’s common stock rather than cash. Changes effected by this amendment and restatement were generally effective as of October 13, 2010.

(c) The Plan was amended effective February 1, 2013, for the purpose of revising the retainer fee and annual deferred stock unit award amounts.

(d) The Plan was amended and restated for the purposes of: (i) revising the retainer fee and annual deferred stock unit award amounts as integrated into this Plan effective April 27, 2015; and (ii) establishing a retainer fee and deferred stock unit award for the position of non- executive Chairman of the Board effective November 23, 2014.

e) The Plan was amended and restated effective April 24, 2017 for the purposes of: (i) revising the retainer fee and annual deferred stock unit award amounts; (ii) establishing that non- employee directors serving in multiple leadership roles would receive the additional awards specified for each role; and (iii) certain other changes related to the administration of the Plan.

- f) The Plan was amended and restated effective April 29, 2019 for the purpose of revising the retainer fee and annual deferred stock unit award amounts.
- g) The Plan was amended and restated effective January 1, 2020, for the purpose of effecting certain changes related to certain Corporate transactions, and to sunset the New Director Restricted Stock Unit Award.
- h) The Plan was amended and restated effective May 2, 2023 for the purposes of: (i) renaming the Plan, the Raytheon Technologies Corporation Board of Directors Deferred Stock Unit Plan, changing all company references from ‘United Technologies Corporation’ to ‘Raytheon Technologies Corporation, (ii) revising the retainer fee and annual deferred stock unit award amounts; (iii) eliminating role awards for Audit Committee members; (iv) revising the role award for the Human Capital & Compensation Committee Chair; and (v) certain other administrative changes.
- i) The Plan is hereby amended and restated effective as of October 1, 2023, for the purposes of renaming the Plan, the RTX Corporation Board of Directors Deferred Stock Unit Plan, and changing all company references from ‘Raytheon Technologies Corporation’ to ‘RTX Corporation’.

1.03 Impact of Carrier and Otis Spin-off

Prior to the merger of United Technologies Corporation (“UTC”) with Raytheon Company on April 3, 2020 (the “Merger”), UTC separated into three independent companies, the Corporation, Carrier Global Corporation (“Carrier”), and Otis Worldwide Corporation (“Otis”), through spin-off transactions also on April 3, 2020. The transaction by which Otis and Carrier Corporation ceased to be subsidiaries of UTC is referred to herein as the “Spin-off.” Pursuant to the terms of the Employee Matters Agreement between UTC, Carrier and Otis: (a) vested Deferred Stock Units were converted upon the Spin-off into UTC, Otis and Carrier Deferred Stock Units; (b) vested restricted Deferred Stock Units granted under a New Director Restricted Stock Unit Award were converted upon the Spin-off into UTC, Otis and Carrier Deferred Stock Units; and (c) unvested restricted Deferred Stock Units granted under a New Director Restricted Stock Unit Award were converted into UTC Deferred Stock Units. Following the Merger and change of UTC’s name to Raytheon Technologies Corporation, the UTC Deferred Stock Units automatically became RTX Deferred Stock Units. RTX Deferred Stock Units credited to Participants under this Plan shall be distributed in shares of RTX Common Stock issued under the LTIP; however, Otis and Carrier Deferred Stock Units shall be distributed in cash. The settlement of Deferred Stock Units in Common Stock and cash, as applicable, and other adjustments described herein shall in no event: (i) increase the value of any Participant’s Account; (ii) modify any Participant’s distribution election; or (iii) alter the procedures in effect under the Plan with respect to elections and distributions other than the substitution of cash for

certain shares. The Plan shall be under no obligation to hold or issue shares of Otis or Carrier Common Stock.

ARTICLE II DEFINITIONS

Unless the context clearly indicates otherwise, the following terms, when used in capitalized form in the Plan, shall have the meanings set forth below:

Account means a bookkeeping account established for a Participant under Article IV that is credited with Deferred Stock Units but excluding accounts under the Prior Plan. Accounts under the Prior Plan will be valued and administered separately in accordance with the terms and procedures in effect under the Prior Plan set forth in Appendix A.

Annual Deferred Stock Unit Award means the annual grant of Deferred Stock Units made to Participants in accordance with Section 3.02.

Annual Meeting means the Corporation's Annual Meeting of Shareowners.

Annual Retainer means the annual retainer fee payable to a Participant under Section 3.01 for services to the Corporation as an independent Director in the capacities indicated.

Beneficiary means a Participant's beneficiary, designated in writing in a form and manner satisfactory to the Committee, or if a Participant fails to designate a beneficiary, or if all of the Participant's designated Beneficiaries predecease the Participant, the Participant's estate.

Board means the Board of Directors of the Corporation.

Board Cycle means the period beginning on an Annual Meeting and ending at the start of the next Annual Meeting.

Carrier means Carrier Global Corporation.

Carrier Deferred Stock Units means Deferred Stock Units of Carrier Global Corporation distributable in cash in accordance with Article V. Each Carrier Deferred Stock Unit is equal in value to a share of Carrier common stock.

Closing Price means, with respect to any date specified by the Plan, the closing price of common stock on the composite tape of New York Stock Exchange on such date (or if there was no reported sale of common stock on such date, on the next following day on which there was

such a reported sale) which common stock is the underlying referenced security of the relevant Deferred Stock Unit.

Code means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto. References to any Section of the Internal Revenue Code shall include any final regulations or other applicable guidance. References to “Section 409A” shall include any final regulations or other applicable guidance issued thereunder by the Internal Revenue Service from time to time.

Committee means the Governance and Public Policy Committee (and any successor Committee) of the Board.

Conversion Date means the date Deferred Stock Units are converted to shares of RTX Common Stock, immediately prior to the delivery of such shares to a Participant or Beneficiary in accordance with Article V herein.

Corporation means RTX Corporation.

Deferred Annual Retainer means any portion of a Participant’s Annual Retainer deferred in accordance with Article V.

Deferred Stock Units means hypothetical shares of common stock that will be settled in actual shares, or an amount of cash equal to the fair market value of shares, of common stock (as applicable), that have been deferred in accordance with Section 409A.

Distribution Anniversary Date means an anniversary of the Distribution Commencement Date.

Distribution Commencement Date means the first business day that is 30 days following the date of Separation from Service.

Election means an irrevocable election by a Participant either to defer all or a portion of the Annual Retainer otherwise payable in cash or to specify how an Account will be distributed (i.e., as a lump sum, or in 10 or 15 annual installments).

Employee Matters Agreement means the Employee Matters Agreement entered into, by and among the Corporation, Otis, and Carrier.

LTIP means the RTX Corporation 2018 Long-Term Incentive Plan, as amended from time to time.

Merger means the merger of United Technologies Corporation with Raytheon Company on April 3, 2020.

New Director Restricted Stock Unit Award means the one-time Deferred Stock Unit award that was previously granted to a Participant upon election to the Board as provided in Section 3.03.

Otis means Otis Worldwide Corporation.

Otis Deferred Stock Units means Deferred Stock Units of Otis Worldwide Corporation distributable in cash in accordance with Article V. Each Otis Deferred Stock Unit is equal in value to a share of Otis common stock.

Participant means a non-employee member of the Board. A Participant, who has an existing Account under the Plan, but is not, or is no longer serving as a non-employee director, shall not be eligible for additional awards under the Plan, but shall remain a Participant under the Plan with respect to his or her Account until it is distributed or forfeited in accordance with the terms of the Plan.

Plan means this RTX Corporation Board of Directors Deferred Stock Unit Plan, as amended from time to time.

Plan Year means the calendar year.

Prior Plan means the United Technologies Corporation Board of Directors Deferred Stock Unit Plan, as in effect on October 3, 2004, and as modified thereafter from time to time in a manner that does not constitute a "material modification" for purposes of Section 409A, as set forth in Appendix A hereto.

Recapitalization Event means a transaction or event described in Section 4.05(a)(iii).

RTX means RTX Corporation.

RTX Common Stock shall mean the common stock of the Corporation.

RTX Deferred Stock Units means Deferred Stock Units of the Corporation convertible into actual shares of RTX Common Stock as of the Conversion Date in accordance with Article V. Each RTX Deferred Stock Unit is equal in value to one share of RTX Common Stock. RTX Deferred Stock Units are awarded under the LTIP and distributed and administered in accordance with the terms of this Plan. Prior to the Merger, RTX Deferred Stock Units were referred to as UTC Deferred Stock Units.

Separation from Service means a Participant’s resignation, removal, or retirement from the Board (for a reason other than death) that constitutes a good-faith, complete termination of the Participant’s relationship with the Corporation and that also qualifies as a “separation from service” for purposes of Section 409A of the Code.

Separation from Service Anniversary Date means an anniversary of the date of Separation from Service.

Spin-off means the separation from United Technologies Corporation of Otis Worldwide Corporation and Carrier Global Corporation into independent companies on April 3, 2020.

ARTICLE III ELIGIBLE COMPENSATION

3.01 Annual Retainer

(a) *Annual Retainer Amount.* Effective May 2, 2023, subject to subsection (b) of this Section 3.01, each Participant will receive a base Annual Retainer of \$130,000. In addition to the base Annual Retainer, Participants serving in leadership roles on the Board and/or its committees shall receive the following additional Annual Retainer amounts: \$32,000 for the Lead Director; \$16,000 for the Audit Committee Chair; \$12,000 for the Human Capital & Compensation Committee Chair; \$10,000 each for the Chairs of all other committees of the Board. In the event that a Participant serves in more than one role listed above, the Participant will receive the additional amounts specified for each role. The Annual Retainer is subject to change, from time to time, at the discretion of the Committee.

(b) *New Participants.* If a Participant is elected to the Board before September 30 of a Board Cycle, the Participant will receive the full amount of the then applicable Annual Retainer. If a Participant is elected to the Board after September 30 of a Board Cycle, the Participant will receive 50% of the applicable Annual Retainer Amount set forth in subsection (a) above. Such amounts will be eligible for deferral in accordance with Article V.

3.02 Annual Deferred Stock Unit Award

(a) *Annual Deferred Stock Unit Award.* Effective May 2, 2023, subject to subsection (b) of this Section 3.02, each Participant will receive a base annual Deferred Stock Unit Award of \$195,000, valued at the time of issuance, credited to the Participant’s Account. In addition to the base annual Deferred Stock Unit Award, Participants serving in leadership roles

on the Board and/or its committees shall receive the following additional annual Deferred Stock Units: \$48,000 for the Lead Director; \$24,000 for the Audit Committee Chair; \$18,000 for the Human Capital & Compensation Committee Chair; \$15,000 each for the Chairs of all other committees of the Board. In the event that a Participant serves in more than one role listed above, the Participant shall receive the additional Deferred Stock Unit awards specified for each role. The Annual Deferred Stock Unit Award is subject to change, from time to time, at the discretion of the Committee.

(b) *New Participants*. If a Participant is elected to the Board before September 30 of a Board Cycle, the Participant will receive an Annual Deferred Stock Unit Award equal in value to the amounts specified in subsection (a) above. If a Participant is elected to the Board after September 30 of a Board Cycle, the Participant will receive an Annual Deferred Stock Unit Award equal to 50% of the value specified in subsection (a).

3.03 New Director Restricted Stock Unit Award

Effective as of October 10, 2019, no further New Director Restricted Stock Unit Awards shall be granted to new Participants. Previously, upon election to the Board, a Participant would have received an unvested award of restricted Deferred Stock Units, equal in value to \$100,000 as of such date.

3.04 Duplication of Benefits

To the extent that a new Participant has received compensation for his or her service on the board of directors of an entity that becomes, or was previously, affiliated with the Corporation, and such compensation relates to the same Plan Year for which the Participant shall receive compensation under this Plan, the Annual Retainer and Annual Deferred Stock Unit Award, under Sections 3.01 and 3.02 respectively, shall be appropriately adjusted to prevent a duplication of benefits for the same period of service.

ARTICLE IV ACCOUNTS AND CREDITS

4.01 Annual Deferred Stock Unit Award

The Annual Deferred Stock Unit Award shall be credited automatically to an Account established for the Participant, effective as of the date of the Annual Meeting. Participants may not elect to receive the Annual Deferred Stock Unit Award as current cash compensation.

4.02 Elective Annual Retainer

The Annual Retainer will be paid on the date of the Annual Meeting unless the Participant makes a timely irrevocable election in accordance with Article V to defer the receipt

of the Annual Retainer as RTX Deferred Stock Units subject to the terms of this Plan, in lieu of a current cash payment.

4.03 New Director Restricted Stock Unit Award

(a) *Prospective Elimination of New Director Restricted Stock Unit Award.* Effective as October 10, 2019, the New Director Restricted Stock Unit Award shall no longer be awarded to new Participants. Previously, upon the Participant's election to the Board, the Corporation would credit the amount of the New Director Restricted Stock Unit Award to a New Director Restricted Stock Unit Account established for a Participant.

(b) *Historical New Director Restricted Stock Unit Awards.* Any New Director Restricted Stock Unit Award granted prior to October 10, 2019 shall be maintained under a separate Account and remain eligible to vest as provided in this Section 4.03. Such Account shall be credited with dividend equivalents in the form of additional Deferred Stock Units which relate to the underlying common stock of RTX, Carrier and Otis as applicable, which will vest immediately, but will otherwise be subject to the same restrictions applicable to the Deferred Stock Units credited to the Account. New Director Restricted Stock Units and any additional dividend equivalents in the form of additional Deferred Stock Units may not be settled prior to a Separation from Service.

(c) *Forfeiture of New Director Restricted Stock Unit Accounts.* A Participant's New Director Restricted Stock Unit Account is subject to 100% forfeiture if the Participant's Separation from Service occurs before the first Annual Meeting following the date of the Participant's first election to the Board. Thereafter, the percentage of the New Director Restricted Stock Unit Award subject to forfeiture is reduced by 20 percentage points as of the date of each succeeding Annual Meeting until the fifth annual meeting when 100% of the value of the New Director Restricted Stock Unit Award will be vested. There will be no forfeiture of interest in the New Director Restricted Stock Unit Account in the event the Separation of Service occurs by reason of the Participant's death, Disability, or for any reason following a "Change in Control" as such terms are defined in the LTIP while the Participant is a member of the Board, or in the event of the Participant's resignation or retirement from the Board for the purpose of accepting full-time employment in public or charitable service.

4.04 Accounts

(a) *Plan Accounts.* All (i) Deferred Annual Retainers and (ii) Annual Deferred Stock Unit Awards and (iii) New Director Restricted Stock Unit Awards (if applicable), shall be maintained in a Participant's Account established under, and subject to the terms and conditions of the Plan, as amended from time to time. Subaccounts may be maintained within Participants' Accounts, to the extent that the Committee determines such an arrangement to be necessary or useful, in the administration of the Plan.

(b) *Prior Plan Accounts.* All Deferred Stock Unit and New Director Restricted Stock Unit Awards, earned and vested prior to January 1, 2005, and any subsequent increases in these amounts that are permitted to be treated as grandfathered benefits under Section 409A (e.g., increases in unit value and dividend equivalents), shall be maintained in separate account(s) under the Prior Plan and shall remain subject to the terms and conditions of the Prior Plan as in effect on October 3, 2004. Prior Plan accounts shall be equal to the value earned and vested on December 31, 2004, as subsequently adjusted in accordance with the terms of the Prior Plan. The Prior Plan and Prior Plan accounts are not intended to be subject to Section 409A. No amendment to Appendix A that would constitute a “material modification” for purposes of Section 409A shall be effective unless the amending instrument states that it is intended to materially modify Appendix A, and to cause the Prior Plan to become subject to Section 409A.

4.05 Deferred Stock Unit Accounts

(a) *Calculation of Deferred Stock Units.* A Participant’s Account (including a New Director Restricted Stock Unit Account) shall be credited with the number of Deferred Stock Units in accordance with the following rules:

(i) *Initial Crediting of Deferred Stock Units.* The Annual Deferred Stock Unit Award, Deferred Annual Retainer (if any), and the New Director Restricted Stock Unit Award (if applicable) credited to a Participant’s Account for a Plan Year under Sections 4.01, 4.02 and 4.03 shall result in a number of Deferred Stock Units (including fractional Deferred Stock Units) credited to the Participant’s Account equal to the sum of the dollar amounts of the Annual Deferred Stock Unit Award, the Deferred Annual Retainer (if any) and the New Director Restricted Stock Unit Award (if applicable), divided by the Closing Price on the date of the Annual Meeting or the date a Participant is elected to the Board, if applicable.

(ii) *Deemed Reinvestment of Dividends.* The number of Deferred Stock Units credited to a Participant’s Account shall be increased on each date on which a dividend is paid on the underlying referenced common stock that relates to a Deferred Stock Unit. The number of additional RTX, Carrier or Otis Deferred Stock Units credited to a Participant’s Account as a result of such dividend payment on a RTX, Carrier or Otis Deferred Stock Unit respectively shall be determined by (A) multiplying the total number of relevant Deferred Stock Units (including fractional Deferred Stock Units) credited to the Participant’s Account on the dividend payment date by the amount of the dividend paid per share of RTX, Carrier or Otis common stock that is the underlying referenced common stock for purposes of the relevant Deferred Stock Unit on the dividend payment date, and (B) dividing the product so determined by the Closing Price of the underlying referenced common stock on the dividend payment date.

(iii) *Effect of Recapitalization.* In the event of a transaction or event described in this subparagraph (iii) (a “Recapitalization Event”), the number of the applicable Deferred Stock Units credited to a Participant’s Account shall be adjusted in the same manner as an outstanding share of common stock underlying the applicable Deferred Stock Unit. A Recapitalization Event includes a dividend (other than regular quarterly dividends) or other extraordinary distribution to a holder of a share of common stock underlying such Deferred Stock Unit (whether in the form of cash, shares, other securities, or other property), extraordinary cash dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, repurchase, or exchange of shares or other securities, the issuance or exercisability of stock purchase rights, the issuance of warrants or other rights to purchase shares or other securities, or other similar corporate transaction or event that has a material effect on a share of common stock underlying such Deferred Stock Unit and requires conforming adjustment to the value and/or number of applicable Deferred Stock Units to prevent dilution or enlargement of the value of Participants’ Accounts.

4.06 Hypothetical Nature of Accounts and Investments

Each Account established under this Article IV shall be maintained for bookkeeping purposes only. Neither the Plan nor any of the Accounts established under the Plan shall hold any actual funds, shares or other assets. The RTX, Carrier and Otis Deferred Stock Units established hereunder shall be used solely to determine the amounts to be distributed hereunder, shall not be or represent an equity security of the Corporation, shall not be convertible into or otherwise entitle a Participant to acquire an equity security of the Corporation prior to a Conversion Date as provided for under the terms of this Plan and shall not carry any voting or dividend rights.

ARTICLE V ELECTION PROCEDURES AND DISTRIBUTIONS

5.01 Annual Retainer Deferral Election

Participants who elect to defer the receipt of the Annual Retainer as RTX Deferred Stock Units for any Plan Year must make a written deferral election for that year on an Election form provided by the Committee.

5.02 Annual Retainer Deferral Election Deadline

A written Election form must be completed and submitted to the Office of the Corporate Secretary, no later than December 31st, prior to the Plan Year for which the Annual Retainer will be earned or, for new Participants, no later than 30 days after their election to the Board (in the case of new Participants, the deferral shall only apply to compensation for services performed

after the date of the election). If a Participant fails to timely submit a properly completed Election form, the Participant's Annual Retainer earned in the next succeeding year shall be paid in cash as provided in [Section 4.02](#). The Participant's deferral election shall be irrevocable following the Election deadline.

5.03 Distribution Commencement Date

(a) *RTX Deferred Stock Units*. The value of RTX Deferred Stock Units shall be based on the Closing Price of RTX Common Stock as of the date of Separation from Service (or in the case of installment payments, the Separation from Service Anniversary Date) and will be converted into shares of RTX Common Stock and be distributed in shares of stock from a Participant's Account as of the Participant's Distribution Commencement Date (and in the case of installment payments, on the applicable Distribution Anniversary Dates). Where the Participant has changed his or her distribution election as provided in [Section 5.05](#), valuation shall occur, and distribution shall commence, no earlier than on the fifth anniversary of the Participant's Separation from Service and elected Distribution Date respectively.

(b) *Carrier and Otis Deferred Stock Units*. The value of Carrier and Otis Deferred Stock Units shall be based on the Closing Price or Carrier and Otis common stock as of the date of Separation from Service (or in the case of installment payments, on the Separation from Service Anniversary Date) and will be distributed in cash from a Participant's Account as of the Participant's Distribution Commencement Date (and in the case of installment payments, on the applicable Distribution Anniversary Dates). Where the Participant has changed his or her distribution election as provided in [Section 5.05](#), valuation shall occur and distribution shall commence no earlier than on the fifth anniversary of the Participant's Separation from Service and elected Distribution Date respectively.

(c) *Death*. If a Participant dies at any time before the Participant's Plan Account has been fully distributed, the full remaining value of the Participant's Plan Accounts will be distributed to the designated Beneficiary or the Participant's estate in a lump sum no later than December 31st of the year immediately following the year in which the death occurred.

(d) *Administrative Adjustments in Payment Date*. A distribution is treated as being made on the date when it is due under the Plan if the distribution occurs on the date specified by the Plan, or on a later date that is either (a) in the same calendar year (for a distribution whose specified due date is on or before September 30) or (b) by the 15th day of the third calendar month following the date specified by the Plan (for a distribution with a specified due date that is on or after October 1). A distribution is also treated as having been made on the date when it is due under the Plan if the distribution is made not more than 30 days before the due date specified by the Plan. A Participant may not, directly or indirectly, designate the taxable year of a distribution made in reliance on the administrative rules in this [Section 5.03](#).

5.04 Election of Form and Amount of Distribution

(a) *Full Distribution.* Following a Separation from Service, a Participant shall receive (i) a number of shares of RTX Common Stock equal to the of the number of whole RTX Deferred Stock Units credited to his or her Account, and (ii) the cash value of the Carrier and Otis Deferred Stock Units credited to his or her Account (if applicable), unless the Participant timely elected to receive distributions from his or her Account in 10 or 15 annual installments in accordance with subsection (b), below. A distribution of shares of RTX Common Stock shall occur as provided in Section 5.03. Carrier and Otis Deferred Stock Units and RTX fractional Deferred Stock Units will be paid in cash.

(b) *10 or 15 Annual Installments.* A Participant may elect to receive distributions from his or her Account in 10 or 15 installments, in lieu of a full distribution under subsection (a) above. Annual installment distributions of whole RTX Deferred Stock Units shall be in shares of RTX Common Stock, and annual installment distributions of Carrier and Otis Deferred Stock Units and fractional RTX Deferred Stock Units shall be in cash. Installment distributions shall commence as of the Distribution Commencement Date and continue as of each Distribution Anniversary Date thereafter until all installments have been paid. The first annual installment shall equal 1/10th or 1/15th (if Participant elects 10 or 15 installment payments respectively) of the value of the Participant's Accounts, determined as of the Distribution Commencement Date. Each successive annual installment shall equal the value of the Participant's Accounts, determined as of the Distribution Anniversary Date, multiplied by a fraction, the numerator of which is one, and the denominator of which shall be the number of remaining annual installments. Payment of each installment in shares of RTX Common Stock with respect to RTX Deferred Stock Units and cash with respect to Carrier and Otis Deferred Stock Units shall be on a pro rata basis based on the outstanding balance of RTX, Carrier and Otis Deferred Stock Units.

(c) *Form of Distribution Election.* A valid election to receive annual distributions under subsection (b) shall be made in writing on an Election form, completed and submitted to the Office of the Corporate Secretary, no later than December 31st, prior to the Plan Year for which the Annual Retainer or RTX Deferred Stock Unit Award is earned, or for new Participants, prior to the date the Participant is elected to the Board, and in no event later than 30 days after such election (in the case of new Participants, the deferral shall only apply to compensation for services performed after the date of the election). If a Participant does not make a valid distribution Election, the Participant shall be deemed to have elected to receive his or her Account in a full and immediate distribution as provided in subsection (a). Except as provided below in Section 5.05 (Change in Distribution Election), a Participant's distribution Election shall become irrevocable on the Election deadline date.

5.05 Change in Distribution Election

A Participant may make a one-time irrevocable Election to extend the deferral period or change the form of distribution that the Participant elected under Section 5.04. A deferral extension election and/or change to the form of distribution must meet the following requirements:

- (a) The new Election must be made at least 12 months prior to the Distribution Commencement Date (and the new election shall be ineffective if the Distribution Commencement Date occurs within 12 months after the date of the new Election);
- (b) The new Election will not take effect until 12 months after the date when the Participant submits a new Election form to the Office of the Corporate Secretary;
- (c) The new Distribution Commencement Date must be a minimum of five years later than the date on which the distribution would otherwise have commenced; and
- (d) The new form of distribution must be one of the forms of payment provided under Section 5.04(a) or (b).

ARTICLE VI ADMINISTRATION

6.01 In General

The Committee (or its delegate) shall have the discretionary authority to interpret the Plan and to decide any and all matters arising under the Plan, including, without limitation, the right to determine eligibility for participation, benefits, and other rights under the Plan; the right to determine whether any Election or notice requirement or other administrative procedure under the Plan has been adequately observed; the right to determine the proper recipient of any distribution under the Plan; the right to remedy possible ambiguities, inconsistencies, or omissions by general rule or particular decision; and the right to otherwise interpret the Plan in accordance with its terms. Except as otherwise provided in Section 6.04, the Committee's determination on any and all questions arising out of the interpretation or administration of the Plan shall be final, conclusive, and binding on all parties.

6.02 Plan Amendment and Termination

(a) The Committee may amend, suspend, or terminate the Plan at any time; provided that no amendment, suspension, or termination of the Plan shall, without a Participant's consent, reduce the Participant's benefits accrued under the Plan before the date of such amendment, suspension, or termination. To the extent that any rule or procedure adopted by the Committee is inconsistent with a provision of the Plan that is administrative, technical or ministerial in nature, the Plan shall be deemed amended to the extent of the inconsistency.

(b) In the event of suspension of the Plan, no additional deferrals shall be made under the Plan, but all previous deferrals shall accumulate and be distributed in accordance with the otherwise applicable provisions of this Plan, the Prior Plan and the applicable Elections on file.

(c) Upon the termination of the Plan with respect to all Participants, and termination of all arrangements sponsored by the Corporation or its affiliates that would be aggregated with the Plan under Section 409A, the Corporation shall have the right, in its sole discretion, and notwithstanding any Elections made by the Participant, to distribute the Participant's vested Account in full, to the extent permitted under Section 409A. All distributions that may be made pursuant to this Section 6.02(c) shall be made no earlier than the 13th month and no later than the 24 months after the termination of the Plan. The Corporation may not accelerate distributions pursuant to this Section 6.02(c) if the termination of the Plan is proximate to a downturn in the Corporation's financial health within the meaning of Treas. Reg. Section 1.409A-3(j)(4)(ix)(C)(1). If the Corporation exercises its discretion to accelerate distributions under this Section 6.02(c), it shall not adopt any new arrangement that would have been aggregated with the Plan under Section 409A within three years following the date of the Plan's termination. The Committee may also provide for distribution of Plan Accounts following a termination of the Plan under any other circumstances permitted by Section 409A.

6.03 Reports to Participants

The Committee shall make available an annual statement to each Participant reporting the value of the Participant's Account and his or her account(s) under the Prior Plan as of the end of the most recent Plan Year.

6.04 Delegation of Authority

The Committee may delegate to officers of the Corporation any and all authority with which it is vested under the Plan, and the Committee may allocate its responsibilities under the Plan among its members.

6.05 Distribution of Shares

The RTX Deferred Stock Units granted under the Plan shall be issued under the LTIP, but subject to administration and distribution in accordance with the terms of this Plan. All shares of RTX Common Stock so distributed in accordance with the terms of the Plan shall be transferred to a brokerage account designated by the Participant entitled to receive the shares. This Plan shall be under no obligation to hold or issue shares of Carrier or Otis Common Stock.

ARTICLE VII MISCELLANEOUS

7.01 Rights Not Assignable

No payment due under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge in any other way. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge such payment in any other way shall be void. No such payment or interest therein shall be liable for or subject to the debts, contracts, liabilities, or torts of any Participant or Beneficiary. If any Participant or Beneficiary becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge in any other way any payment under the Plan, the Committee may direct that such payment be suspended and that all future payments to which such Participant or Beneficiary otherwise would be entitled be held and applied for the benefit of such person, the person's children or other dependents, or any of them, in such manner and in such proportions as the Committee may deem proper.

7.02 Certain Rights Reserved

Nothing in the Plan shall confer upon any person the right to continue to serve as a member of the Board or to participate in the Plan other than in accordance with its terms.

7.03 Withholding Taxes

The Committee may make any appropriate arrangements to deduct from all credits and payments under the Plan any taxes that the Committee determines to be required by law to be withheld from such credits and payments.

7.04 Compliance with Section 409A

This Section 7.04 shall apply notwithstanding any other provision of this Plan. To the extent that rights or payments under this Plan are subject to Section 409A, the Plan shall be construed and administered in compliance with the conditions of Section 409A and regulations and other guidance issued pursuant to Section 409A for deferral of income taxation until the time the compensation is paid. Any distribution election that would not comply with Section 409A of the Code shall not be effective for purposes of this Plan. To the extent that a provision of this Plan does not comply with Section 409A of the Code, such provision shall be void and without effect. The Corporation does not warrant that the Plan will comply with Section 409A of the Code with respect to any Participant or with respect to any payment, however. In no event shall the Corporation; any director, officer, or employee of the Corporation (other than the Participant); or any member of the Committee be liable for any additional tax, interest, or penalty incurred by a Participant or Beneficiary as a result of the Plan's failure to satisfy the requirements of Section 409A, or as a result of the Plan's failure to satisfy any other requirements of applicable tax laws. In the event that a Participant is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Corporation), amounts that constitute "non-qualified deferred compensation" within the meaning of Section 409A that would otherwise be payable during the six-month

period immediately following a Participant's Separation from Service by reason of such Separation from Service shall instead be paid or provided on the first business day of the seventh month following the month in which Participant's Separation from Service occurs.

7.05 Incompetence

If the Committee determines, upon evidence satisfactory to the Committee, that any Participant or Beneficiary to whom a distribution is due under the Plan is unable to care for his or her affairs because of illness or accident or otherwise, any distribution that is due under the Plan (unless prior claim therefore shall have been made by a duly authorized guardian or other legal representative) may be distributed, upon appropriate indemnification of the Committee and the Company, to the spouse of the Participant, or Beneficiary, or other person deemed by the Committee to have incurred expenses for the benefit of and on behalf of such Participant or Beneficiary. Any such distribution of shares or cash payment (as the case may be) shall be a complete discharge of any liability under the Plan with respect to the amount so distributed or paid.

7.06 Inability to Locate Participants and Beneficiaries

Each Participant and Beneficiary entitled to receive a distribution under the Plan shall keep the Committee advised of his or her current address. If the Committee is unable to locate a Participant or Beneficiary to whom a distribution is due under the Plan, the total amount payable to such Participant or Beneficiary shall be forfeited as of the last day of the calendar year in which the distribution first becomes due.

7.07 Successors

The provisions of the Plan shall bind and inure to the benefit of the Corporation and its successors and assigns. The term "successors" as used in the preceding sentence shall include any corporation or other business entity that by merger, consolidation, purchase, or otherwise acquires all or substantially all of the business and assets of the Corporation, and any successors and assigns of any such corporation or other business entity.

7.08 Usage

(a) *Titles and Headings.* The titles to Articles and the headings of Sections, subsections, and paragraphs in the Plan are placed herein for convenience of reference only and shall be of no force or effect in the interpretation of the Plan.

(b) *Number.* The singular form shall include the plural, where appropriate.

7.09 Severability

If any provision of the Plan is held unlawful or otherwise invalid or unenforceable in whole or in part, such unlawfulness, invalidity, or unenforceability shall not affect any other

provision of the Plan or part thereof, each of which shall remain in full force and effect. If the making of any payment or the provision of any other benefit required under the Plan is held unlawful or otherwise invalid or unenforceable, such unlawfulness, invalidity or unenforceability shall not prevent any other payment or benefit from being made or provided under the Plan, and if the making of any payment in full or the provision of any other benefit required under the Plan in full would be unlawful or otherwise invalid or unenforceable, then such unlawfulness, invalidity, or unenforceability shall not prevent such payment or benefit from being made or provided in part, to the extent that it would not be unlawful, invalid, or unenforceable, and the maximum payment or benefit that would not be unlawful, invalid, or unenforceable shall be made or provided under the Plan.

7.10 Share Ownership Requirements

Participants are expected to own shares of RTX Common Stock and have Deferred Stock Units equal in aggregate value to at least five times the then applicable base Annual Retainer amount set forth in Section 3.01 no later than the fifth Annual Meeting following a Participant's first election to the Board.

7.11 Governing Law

The Plan and all determinations made and actions taken under the Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

RTX CORPORATION

By: /s/ Dantaya M. Williams
Dantaya M. Williams
Executive Vice President and CHRO

Attest: /s/ Christine L. Hill
Christine L. Hill
Vice President & Associate General Counsel Executive & Global Compensation &
Benefits

APPENDIX A

This Appendix A sets forth the United Technologies Corporation Board of Directors Deferred Stock Unit Plan as in effect on October 3, 2004 (“Prior Plan”), and as modified thereafter, from time to time, in a manner that does not constitute a “material modification” for purposes of Section 409A. Amounts that were earned or vested (within the meaning of Section 409A) prior to January 1, 2005, and any subsequent increases in these amounts that are permitted to be treated as grandfathered benefits under Section 409A, are generally subject to and shall continue to be governed by the terms of this Prior Plan.

Effective October 13, 2010, but prior to the Spin-off (as defined below), Stock Units credited to Participants under this Prior Plan were convertible into shares of UTC Common Stock that were issued under the LTIP of United Technologies Corporation (“UTC”).

Notwithstanding any provision of this Prior Plan to the contrary, all distributions with respect to Stock Units under this Prior Plan shall be distributed in shares of Common Stock. The settlement of Stock Units in shares of Common Stock in lieu of cash shall in no event: (a) increase the value of any Participant’s Account; (b) modify any Participant’s distribution election; or (c) alter the procedures in effect under this Prior Plan with respect to elections and distributions other than the substitution of shares for cash.

Effective as of the Spin-off from United Technologies Corporation of Otis Worldwide Corporation (“Otis”) and Carrier Global Corporation (“Carrier”) into separate, independent public companies on April 3, 2020 (the “Spin-off”), Stock Units credited to Participants under this Prior Plan were converted, at Spin-off, into UTC, Carrier and Otis Stock Units. Following the merger of United Technologies Corporation (“UTC”) with Raytheon Company on April 3, 2020 (the “Merger”) and change of UTC’s name to Raytheon Technologies Corporation, the UTC Deferred Stock Units automatically became RTX Deferred Stock Units and UTC Common Stock became RTX Common Stock. Deferred Stock Units credited to Participants under this Prior Plan shall be convertible into shares of RTX Common Stock; however, Carrier and Otis Deferred Stock Units shall be distributed in cash. Payment of any installment in shares of RTX Common Stock with respect to RTX Deferred Stock Units and cash with respect to Carrier and Otis Deferred Stock Units shall be on a pro rata basis based on the outstanding balance of RTX, Carrier and Otis Deferred Stock Units. For these purposes, the definition of “Closing Price” shall include the price of the underlying referenced security for an Otis Stock Unit or Carrier Stock Unit, as applicable; the definition of “Stock Unit” shall include a hypothetical share of Otis and Carrier, as applicable; and Otis Stock Units and Carrier Stock Units shall be increased or otherwise adjusted under Sections 402(a)(2) and (4) by reference to the underlying referenced security for an Otis Stock Unit or Carrier Stock Unit, as applicable.

The settlement of Deferred Stock Units in Common Stock and cash, as applicable, and other adjustments described herein shall in no event: (a) increase the value of any Participant's Account; (b) modify any Participant's distribution election; or (c) alter the procedures in effect under this Prior Plan with respect to elections and distributions other than the substitution of cash for certain shares.

Following the name change of United Technologies Corporation to Raytheon Technologies Corporation on April 3, 2020, and the subsequent name change to RTX Corporation on July 17, 2023, all references in the Prior Plan to United Technologies Corporation shall now be read as RTX Corporation, all references to UTC Deferred Stock Units shall be read as RTX Deferred Stock Units, and all references to UTC Common Stock shall be read as RTX Common Stock.

UNITED TECHNOLOGIES CORPORATION

BOARD OF DIRECTORS

DEFERRED STOCK UNIT PLAN

Effective January 1, 1996

A - iii

**UNITED TECHNOLOGIES CORPORATION
BOARD OF DIRECTORS
DEFERRED STOCK UNIT PLAN
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ARTICLE I INTRODUCTION

1.01 Purpose of Plan

The purpose of the Plan is to enhance the Company's ability to attract and retain non-employee members of the Board whose training, experience and ability will promote the interests of the Company and to directly align the interests of such non-employee Directors with the interests of the Company's shareowners by providing compensation based on the value of UTC Common Stock. The Plan is designed to permit such non-employee directors to defer the receipt of all or a portion of the cash compensation otherwise payable to them for services to the Company as members of the Board.

1.02 Effective Date of Plan

Except as otherwise provided by Section 3.01, the Plan shall apply only to a Participant's annual Director's retainer Fees with respect to service on and after January 1, 1996.

ARTICLE II DEFINITIONS

Unless the context clearly indicates otherwise, the following terms, when used in capitalized form in the Plan, shall have the meanings set forth below:

Account shall mean a bookkeeping account established for a Participant under Section 4.01.

Article shall mean an article of the Plan.

Beneficiary shall mean a Participant's beneficiary, designated in writing and in a form and manner satisfactory to the Committee, or if a Participant fails to designate a beneficiary, or if the Participant's designated Beneficiary predeceases the Participant, the Participant's estate.

Board shall mean the Board of Directors of the Company.

Closing Price shall mean, with respect to any date specified by the Plan, the closing price of UTC Common Stock on the composite tape of New York Stock Exchange issues (or if there was no reported sale of UTC Common Stock on such date, on the next preceding day on which there was such a reported sale).

Committee shall mean the Nominating Committee of the Board.

Company shall mean United Technologies Corporation.

Director's Fees shall mean the annual retainer fee payable to a Participant for services to the Company as a member of the Board. Director's Fees do not include special meeting fees.

Participant shall mean each member of the Board (other than a member of the Board who is also an employee of the Company or a subsidiary thereof) who is or becomes a member of the Board on or after January 1, 1996.

Payment Anniversary Date shall mean an anniversary of the Payment Commencement Date.

Payment Commencement Date shall mean the first business day of the first month following the month in which the Participant terminates service as a member of the Board.

Plan shall mean this United Technologies Corporation Board of Directors Deferred Stock Unit Plan, as set forth herein and as amended from time to time.

Plan Year shall mean the calendar year.

Section shall mean a Section of the Plan.

Stock Unit shall mean a hypothetical share of UTC Common Stock as described in Section 4.02.

UTC Common Stock shall mean the common stock of the Company.

ARTICLE III CREDITS

3.01 Transition Credits

As soon as practicable on or after January 1, 1996, the Company shall credit to the Account of each Participant a number of Stock Units determined in accordance with the schedules set forth in Appendix I and Appendix II to the Plan. The credits set forth in Appendix I shall be provided in lieu of any benefits to which the Participant otherwise would have been entitled under the United Technologies Corporation Directors Retirement Plan as of its termination on December 31, 1995. The credits set forth in Appendix II shall be provided in lieu of any benefits to which the Participant otherwise would be entitled under certain deferred compensation arrangements entered into prior to January 1, 1996. The number of units set forth in Appendix II shall equal the number of tax deferred stock units (if any) credited to the Participant under any such prior deferred compensation arrangement, determined as of December 31, 1995.

3.02 Automatic Credits

As of the beginning of each Plan Year, the Company shall credit Stock Units to each Participant's Account equal in value to 60% of the Participant's Director's Fees for the Plan Year, as determined in accordance with Section 4.02(a)(1).

3.03 Elective Credits

A Participant may elect, with respect to each Plan Year, to defer the entire portion (but not a partial portion) of the 40% of the Participant's Director's Fees that are not automatically deferred in accordance with Section 3.02 and that otherwise would be paid to the Participant in cash. If the Participant makes such an election, the Company shall credit Stock Units to the Participant's Account equal in value to 40% of the Participant's Director's Fees for the Plan Year, as determined in accordance with Section 4.02(a)(1), as of the beginning of the Plan Year with respect to which the election is made (or, if later, as of the first day in the Plan Year on which the individual becomes a Participant). An election under this Section 3.03 shall be made in a form and manner satisfactory to the Committee and shall be effective for a Plan Year only if made before the beginning of the Plan Year; provided that an individual who becomes a Participant after the first day of a Plan Year may make the election for that Plan Year within 30 days of becoming a Participant.

ARTICLE IV ACCOUNTS AND INVESTMENTS

4.01 Accounts

A separate Account under the Plan shall be established for each Participant. Such Account shall be (a) credited with the amounts credited in accordance with Article III, (b) credited (or charged, as the case may be) with the investment results determined in accordance with Section 4.02, and (c) charged with the amounts paid by the Plan to or on behalf of the Participant in accordance with Article V. Within each Participant's Account, separate subaccounts shall be maintained to the extent the Committee determines them to be necessary or useful in the administration of the Plan.

4.02 Stock Units

(a) **Deemed Investment in UTC Common Stock.** Except as provided in subsection (b), below, a Participant's Account shall be treated as if it were invested in Stock Units that are equivalent in value to the fair market value of shares of UTC Common Stock in accordance with the following rules:

(1) *Conversion into Stock Units.* Any Director's Fees credited to a Participant's Account for a Plan Year under Section 3.02 or 3.03 shall be converted into Stock Units (including fractional Stock Units) by dividing the amount credited by the Closing Price on the first business day of the Plan Year; provided that in the case of an individual who becomes a Participant after the first day of a Plan Year, the Closing Price shall be determined as of the day on which the individual becomes a Participant.

(2) *Deemed Reinvestment of Dividends.* The number of Stock Units credited to a Participant's Account shall be increased on each date on which a dividend is paid on UTC Common Stock. The number of additional Stock Units credited to a Participant's Account as a result of such increase shall be determined by (i) multiplying the total number of Stock Units (excluding fractional Stock Units) credited to the Participant's Account immediately before such increase by the amount of the dividend paid per share of UTC Common Stock on the dividend payment date, and (ii) dividing the product so determined by the Closing Price on the dividend payment date.

(3) *Conversion Out of Stock Units.* The dollar value of the Stock Units credited to a Participant's Account on any date shall be determined by multiplying the number of Stock Units (including fractional Stock Units) credited to the Participant's Account by the Closing Price on that date.

(4) *Effect of Recapitalization.* In the event of a transaction or event described in this paragraph (4), the number of Stock Units credited to a Participant's Account shall be adjusted in such manner as the Committee, in its sole discretion, deems equitable. A transaction or event is described in this paragraph (4) if (i) it is a dividend (other than regular quarterly dividends) or other distribution (whether in the form of cash, shares, other securities, or other property), extraordinary cash dividend, recapitalization, stock split, reverse stock split reorganization, merger, consolidation, split-up, spin-off, repurchase, or exchange of shares or other securities, the issuance or exercisability of stock purchase rights, the issuance of warrants or other rights to purchase shares or other securities, or other similar corporate transaction or event and (ii) the Committee determines that such transaction or event affects the shares of UTC Common Stock, such that an adjustment pursuant to this paragraph (4) is appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(b) **Change in Deemed Investment Election.** A Participant who elects to receive distribution of his or her Accounts in annual installments will continue to have such Account credited with Stock Units during the installment period unless the Participant irrevocably elects to have his or her Account treated, as of the Payment Commencement Date, as if the Account were invested in cash. If a Participant makes such election, the Account will be credited with a rate of interest equal to the average interest rate on 10-Year Treasury Bonds as of the January through October Period in the calendar year prior to the Plan Year in which the interest is credited, plus 1%. An election under this subsection (b) shall be made in a form and

manner satisfactory to the Committee and shall be effective only if made before the Payment Commencement Date.

4.03 Hypothetical Nature of Accounts and Investments

Each Account established under this Article IV shall be maintained for bookkeeping purposes only. Neither the Plan nor any of the Accounts established under the Plan shall hold any actual funds or assets. The Stock Units established hereunder shall be used solely to determine the amounts to be paid hereunder, shall not be or represent an equity security of the Company, shall not be convertible into or otherwise entitle a Participant to acquire an equity security of the Company and shall not carry any voting or dividend rights.

ARTICLE V PAYMENTS

5.01 Entitlement to Payment

Credits to a Participant's Account under Section 3.02 or 3.03 shall be in lieu of payment to the Participant of the related Director's Fees. Any payment under the Plan with respect to an Account shall be made solely in cash and as further provided in this Article V. The right of any person to receive one or more payments under the Plan shall be an unsecured claim against the general assets of the Company.

5.02 Payment Commencement Date

Payments to a Participant with respect to the Participant's Account shall begin as of the Participant's Payment Commencement Date; provided that if a Participant dies before the Participant's Payment Commencement Date, payment of the entire value of the Participant's Account shall be made in a lump sum to the Participant's Beneficiary as soon as practicable after the Committee receives all documents and other information that it requests in connection with the payment.

5.03 Form and Amount of Payment

(a) *Fifteen Annual Installments.* A Participant shall receive his or her benefits in 15 annual installments unless the Participant elects to receive his or her benefits under the Plan in the form of a lump-sum payment or in less than 15 annual installments in accordance with subsection (b), below. Annual installments shall be payable to the Participant in cash beginning as of the Payment Commencement Date and continuing as of each Payment Anniversary Date thereafter until all installments have been paid. The first annual installment shall equal one- fifteenth (1/15th) of the value of the Stock Units credited to the Participant's Account, determined as of the Payment Commencement Date. Each successive annual installment shall equal the value of the Stock Units credited to the Participant's Account, determined as of the Payment Anniversary Date, multiplied by a fraction, the numerator of which is one, and the denominator of which is the excess of 15 over the number of installment payments previously

made (i.e., 1/14th, 1/13th, etc.). If the Participant dies after the Participant's Payment Commencement Date but before all 15 installments have been paid, the remaining installments shall be paid to the Participant's Beneficiary in accordance with the schedule in this subsection (a).

(b) *Lump Sum, or Less Than 15 Annual Installments.* A Participant may elect to receive his or her benefits under the Plan in the form of a lump-sum payment or in two to fourteen installments in lieu of the fifteen installment payments determined under subsection (a), above. The lump sum shall be payable to the Participant in cash as of the Payment Commencement Date and shall equal the value of the Stock Units credited to the Participant's Account, determined as of the Payment Commencement Date. Installments shall be paid in the manner set forth in subsection (a) above, except that for purposes of determining the amount of the first annual installment, the denominator of the fraction shall equal the number of scheduled annual installments. An election under this subsection (b) shall be made in a form and manner satisfactory to the Committee and shall be effective only if made at least two years before the Participant's Payment Commencement Date.

ARTICLE VI ADMINISTRATION

6.01 In General

The Committee shall have the discretionary authority to interpret the Plan and to decide any and all matters arising under the Plan, including without limitation the right to determine eligibility for participation, benefits, and other rights under the Plan; the right to determine whether any election or notice requirement or other administrative procedure under the Plan has been adequately observed; the right to determine the proper recipient of any distribution under the Plan; the right to remedy possible ambiguities, inconsistencies, or omissions by general rule or particular decision; and the right otherwise to interpret the Plan in accordance with its terms. Except as otherwise provided in Section 6.03, the Committee's determination on any and all questions arising out of the interpretation or administration of the Plan shall be final, conclusive, and binding on all parties.

6.02 Plan Amendment and Termination

The Committee may amend, suspend, or terminate the Plan at any time; provided that no amendment, suspension, or termination of the Plan shall, without a Participant's consent, reduce the Participant's benefits accrued under the Plan before the date of such amendment, suspension, or termination. If the Plan is terminated in accordance with this Section 6.02, the terms of the Plan as in effect immediately before termination shall determine the right to payment in respect of any amounts that remain credited to a Participant's or Beneficiary's Account upon termination.

6.03 Reports to Participants

The Committee shall furnish an annual statement to each Participant (or Beneficiary) reporting the value of the Participant's (or Beneficiary's) Account as of the end of the most recent Plan Year.

6.04 Delegation of Authority

The Committee may delegate to officers of the Company any and all authority with which it is vested under the Plan, and the Committee may allocate its responsibilities under the Plan among its member.

ARTICLE VII MISCELLANEOUS

7.01 Rights Not Assignable

No payment due under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge in any other way. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge such payment in any other way shall be void. No such payment or interest therein shall be liable for or subject to the debts, contracts, liabilities, or torts of any Participant or Beneficiary. If any Participant or Beneficiary becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge in any other way any payment under the Plan, the Committee may direct that such payment be suspended and that all future payments to which such Participant or Beneficiary otherwise would be entitled be held and applied for the benefit of such person, the person's children or other dependents, or any of them, in such manner and in such proportions as the Committee may deem proper.

7.02 Certain Rights Reserved

Nothing in the Plan shall confer upon any person the right to continue to serve as a member of the Board or to participate in the Plan other than in accordance with its terms.

7.03 Withholding Taxes

The Committee may make any appropriate arrangements to deduct from all credits and payments under the Plan any taxes that the Committee reasonably determines to be required by law to be withheld from such credits and payments.

7.04 Incompetence

If the Committee determines, upon evidence satisfactory to the Committee, that any Participant or Beneficiary to whom a benefit is payable under the Plan is unable to care for his or her affairs because of illness or accident or otherwise, any payment due under the Plan (unless prior claim therefore shall have been made by a duly authorized guardian or other legal representative) may be paid, upon appropriate indemnification of the Committee and the Company, to the spouse of the Participant or Beneficiary or other person deemed by the

Committee to have incurred expenses for the benefit of and on behalf of such Participant or Beneficiary. Any such payment shall be a complete discharge of any liability under the Plan with respect to the amount so paid.

7.05 Inability to Locate Participants and Beneficiaries

Each Participant and Beneficiary entitled to receive a payment under the Plan shall keep the Committee advised of his or her current address. If the Committee is unable for a period of 36 months to locate a Participant or Beneficiary to whom a payment is due under the Plan, commencing with the first day of the month as of which such payment first comes due, the total amount payable to such Participant or Beneficiary shall be forfeited. Should such a Participant or Beneficiary subsequently contact the Committee requesting payment, the Committee shall, upon receipt of all documents and other information that it might request in connection with the payment, restore and pay the forfeited payment in a lump sum, the value of which shall not be adjusted to reflect any interest or other type of investment earnings or gains for the period of forfeiture.

7.06 Successors

The provisions of the Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term “successors” as used in the preceding sentence shall include any corporation or other business entity that by merger, consolidation, purchase, or otherwise acquires all or substantially all of the business and assets of the Company, and any successors and assigns of any such corporation or other business entity.

7.07 Usage

(a) *Titles and Headings.* The titles to Articles and the headings of Sections, subsections, and paragraphs in the Plan are placed herein for convenience of reference only and shall be of no force or effect in the interpretation of the Plan

(b) *Number.* The singular form shall include the plural, where appropriate.

7.08 Severability

If any provision of the Plan is held unlawful or otherwise invalid or unenforceable in whole or in part, such unlawfulness, invalidity, or unenforceability shall not affect any other provision of the Plan or part thereof, each of which shall remain in full force and effect. If the making of any payment or the provision of any other benefit required under the Plan is held unlawful or otherwise invalid or unenforceable, such unlawfulness, invalidity or unenforceability shall not prevent any other payment or benefit from being made or provided under the Plan, and if the making of any payment in full or the provision of any other benefit required under the Plan in full would be unlawful or otherwise invalid or unenforceable, then such unlawfulness, invalidity, or unenforceability shall not prevent such payment or benefit from being made or

provided in part, to the extent that it would not be unlawful, invalid, or unenforceable, and the maximum payment or benefit that would not be unlawful, invalid, or unenforceable shall be made or provided under the Plan.

7.09 Governing Law

The Plan and all determinations made and actions taken under the Plan shall be governed by and construed in accordance with the laws of the State of Connecticut.

UNITED TECHNOLOGIES CORPORATION

By _____

Attest: _____

Date: _____

RTX CORPORATION
EXECUTIVE ANNUAL INCENTIVE PLAN

(As Amended and Restated as of October 1, 2023)

1. Preamble

- 1.1. *Purpose.* The purpose of the RTX Corporation Executive Annual Incentive Plan (the “Plan”) is to reinforce corporate, organizational and other goals; to promote the achievement of those goals; to ensure a strong linkage of pay to performance; and to attract, retain and motivate eligible employees.
- 1.2. *Effective Date of Plan and Amendments.*
 - 1.2.1. The Raytheon Technologies Corporation Executive Annual Incentive Plan was established effective as of April 26, 2021, the date the Plan was approved by shareholders (the “Effective Date”).
 - 1.2.2. The Plan is hereby amended and restated, effective as of October 1, 2023, for purposes of renaming the Plan, the RTX Corporation Executive Annual Incentive Plan, changing all company references from ‘Raytheon Technologies Corporation’ to ‘RTX Corporation’, updating the name of the ‘Compensation Committee’ to the ‘Human Capital & Compensation Committee’ and certain other minor administrative changes.

2. Definitions

For the purposes of the Plan, the following terms shall have the following meanings:

“Affiliated Entity” means any entity controlled by, controlling or under common control with the Company.

“Award” means a cash award based on the achievement of performance goals for a Performance Period.

“Board” means the Board of Directors of the Company.

“Change in Control” has the meaning set forth in the Company’s 2018 Long-Term Incentives Plan, as amended, (or any successor plan thereto).

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and all regulations, interpretations, and administrative guidance issued thereunder.

“Committee” means the Human Capital & Compensation Committee of the Board, or such other committee as the Board may from time to time designate, which committee shall be comprised of not less than two directors and shall be appointed by and serve at the pleasure of the Board.

“Company” means RTX Corporation, a Delaware corporation, or its successor.

“Effective Date” has the meaning set forth in Section 1.

“Eligible Employee” means any employee who has been designated by the Company or an Affiliated Entity as an executive (e.g., employee grades E5, E4, E3, E2 and E1), selected for participation in the Plan by the Company or an Affiliated Entity, who is on the active salaried payroll of the Company or an Affiliated Entity at any time during the Performance Period to which an Award relates.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto. “Executive Officer” means an officer of the Company who is subject to Section 16 of the Exchange Act.

“Performance Period” means the Company’s fiscal year, or such other period designated by the Committee. The Performance Period for the year in which the Effective Date occurs shall be the full fiscal year notwithstanding the fact that the Plan does not become effective until the Effective Date.

“Plan” has the meaning set forth in Section 1.

“Section 409A” means Section 409A of the Code.

“Stub Period” means the portion of a Performance Period that ends on the date of a Change-in-Control.

3. Administration

The Plan shall be administered by the Committee, who shall have the authority in its sole and absolute discretion, subject to, and consistent with, the express provisions of the Plan and applicable law, to administer the Plan (including all related Plan documents) and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, to determine who should be granted Awards and the amount of the Awards; to determine the time or times at which Awards shall be granted; to determine the terms, conditions, restrictions and performance criteria, including performance goals, relating to any Award; to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, or surrendered; to increase or decrease the value of an Award to differentiate the performance of individual Eligible Employees and/or business or functional units of the Company; to make adjustments in performance goals or results in recognition of unusual, unexpected, or non-recurring events, including mergers, acquisitions and dispositions, or in response to changes in applicable laws, regulations, or accounting principles, or for any other reason; to construe and interpret the Plan and any Plan document; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of any Award documents; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may delegate such duties under the Plan as it may deem advisable to any person or persons selected by it, and for all purposes of the Plan, such delegate(s) shall be treated as the Committee; provided, however, that the Committee shall administer the Plan for all Executive Officers. Provided further, that no delegate may designate himself or herself as an Award recipient under the delegated authority. All decisions, determinations and interpretations of the Committee, or its delegate(s) shall be final and binding on all persons, including the Company, Affiliated Entities, Eligible Employees (or any person claiming any rights under the Plan from or through any Eligible Employee) and any shareowner.

No member of the Board or the Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder. To the extent permitted by law, the Committee and all appointed delegates shall be indemnified by the Company and saved harmless against

any claims and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan, except claims arising from gross negligence, willful neglect or willful misconduct.

4. Eligibility

Only Eligible Employees may be granted Awards under the Plan. Unless otherwise determined by the Committee or its delegate, an Eligible Employee, who commences employment with the Company or an Affiliated Entity following the start of a Performance Period, may be eligible for a pro-rata Award for the period of time employed during such Performance Period. Unless otherwise required by local regulation or legislation, an Eligible Employee may not participate in this Plan and another annual incentive plan of the Company or an Affiliated Entity simultaneously or for the same Performance Period.

5. Performance Goals

Performance goals may consist of financial, operational and strategic performance measures for the Company, an Affiliated Entity and/or any business or functional unit thereof; individual performance goals for Eligible Employees; and/or such other goals as may be determined by the Committee. Performance goals shall be set prior to, or reasonably promptly following, the start of the Performance Period.

6. Annual Incentive Targets

The annual target incentive amount shall be expressed as a percentage of the Eligible Employee's annual salary in effect on December 1st of the Performance Period (or, for purposes of Section 9, the first day of the month immediately preceding the month in which a Change-in-Control occurs), unless otherwise specified in the Award.

7. Determination and Payment of Awards

Payments, if any, due in respect of Awards shall be paid in a lump sum in cash. Cash payments made in respect of Awards will be paid as soon as administratively practicable following the end of the applicable Performance Period and the Committee's determination of the achievement of the underlying performance goals, and, for Eligible Employees on a United States-based payroll or otherwise subject to taxation in the United States, no later than the 15th day of the third month following the end of the Performance Period. In order to be eligible to receive an Award, an Eligible Employee must be employed on the last day of the Performance Period, subject to Section 9 hereof and any rules established under the Plan from time to time. The Committee may, in its sole discretion, permit Eligible Employees to defer the payment of Awards in accordance with and subject to the terms of one or more deferred compensation plans sponsored by the Company or an Affiliated Entity. The Committee's decisions regarding the amount of each Award shall be final, binding and conclusive for all purposes and need not be consistent among Eligible Employees.

8. Clawback

Eligible Employees shall be subject to any applicable clawback, recoupment or other similar policies required by law or regulations, or adopted by the Committee, as in effect from time to time, and Awards paid to an Eligible Employee shall be subject to the terms of such policies, as in effect from time to time.

9. Change-in-Control

Notwithstanding anything to the contrary in the Plan, upon a Change-in-Control this Plan shall terminate and each Eligible Employee shall be entitled to a lump sum cash payment for the Stub Period. The payment calculated prior to any proration to account for the Stub Period shall be the Eligible Employee's target incentive amount for the Performance Period. The proration will be determined by dividing the number of days completed in the Stub Period immediately prior to the date of the Change-in-Control by the total number of days in the Performance Period. Payments due as a result of the termination of the Plan upon a Change-in-Control shall be made within 30 days following the date of the Change-in-Control and shall be made to all Eligible Employees who were employed by the Company or an Affiliated Entity immediately prior to the date of the Change-in-Control, regardless of whether they are still employed on the payment date.

10. Amendment and Termination of the Plan

The Board or the Committee shall have the right at any time to amend, suspend, discontinue or terminate the Plan, in whole or in part; provided, however, (i) that no such amendment of the Plan shall operate to annul or diminish, without the consent of the Eligible Employee, an Award already made hereunder, except in the case of a recoupment of awards under the Plan in connection with a Company clawback policy; and (ii) no amendment adopted in connection with or in anticipation of a Change-in-Control shall adversely affect an Eligible Employee's entitlement to an Award for the Stub Period following a Change-in-Control.

11. Personal Data

In connection with managing and administering the Plan, the Company processes certain personal information about Eligible Employees including, but not limited to, name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, shares or directorships held in the Company, and details of all Awards paid or pending payment. Some of this information is collected by the Eligible Employee's local employer and is transferred to the Company, as needed, for the purposes of implementation, administration, and management of the Plan. This information may also be shared with third parties providing services to the Company in connection with the Plan, and the Company takes all necessary steps, in accordance with applicable data protection laws, to ensure that such personal information is adequately protected. The Company is headquartered in the United States, and some of its subsidiaries and affiliates are located outside of the United States. The Company will have in place standard contractual clauses approved by the European Commission to allow for transfer of personal data outside the European Union or European Economic Area. Likewise, the Company will take all necessary measures, in accordance with applicable data protection laws, to protect personal information relating to Eligible Employees located in countries with data privacy laws that is transferred to other countries. Applicable data privacy laws may provide Eligible Employees the right to review and, if factually inaccurate, correct any personal information relating to them.

12. Miscellaneous

- 12.1 *Section 409A.* Each Award is intended to be excluded from coverage under Section 409A as a short-term deferral unless, and only to the extent that, a deferral election for such Award is made pursuant to a deferred compensation plan sponsored by the Company or an Affiliated Entity. If an Award does not qualify as a short-term deferral or for another exemption under Section 409A, it is intended that such Award will be paid in a manner that satisfies the requirements of Section 409A, and in the event any Award is payable to a "specified employee" (as determined in accordance with the methodology established by the Company

in accordance with Section 409A) that would be payable during the six-month period following the specified employee's "separation from service" (as determined in compliance with the methodology established by the Company in accordance with Section 409A) shall instead be paid on the first business day of the seventh month following the separation from service to the extent necessary to avoid the imposition of any additional taxes or penalties under Section 409A.

- 12.2 *Additional Compensation Arrangement.* Nothing contained in this Plan shall prevent or limit the Company or any Affiliated Entity from adopting other or additional compensation arrangements for any employee.
- 12.3 *Plan Participation.* Participation in the Plan is voluntary and at the complete discretion of the Company. Receipt of a current Award does not give rise to a vested right or entitlement to receipt of a future Award.
- 12.4 *No Contract of Employment.* This Plan shall not constitute a contract of employment, and adoption of this Plan or the payment of Awards shall not confer upon any employee any right to continued employment or payment for future Awards, nor shall it interfere in any way with the right of the Company or any Affiliated Entity to terminate the employment of any employee at any time. This Plan shall not be deemed to constitute part of an Eligible Employee's terms and conditions of employment.
- 12.5 *Plan Expenses.* All expenses and costs in connection with the operation of the Plan shall be borne by the Company or an Affiliated Entity and no part thereof shall be charged against Awards, or to Eligible Employees.
- 12.6 *Withholding.* The Company or an Affiliated Entity shall have the right to deduct from Awards any applicable taxes, and any other deductions, required to be withheld with respect to such payments. In addition, the Company or an Affiliated Entity also may withhold such amounts from other amounts payable by the Company or an Affiliated Entity, subject to applicable law.
- 12.7 *No Limitation on Corporate Actions.* Nothing contained in the Plan shall be construed to prevent the Company or an Affiliated Entity from taking or not taking any corporate action, whether or not such action could have an adverse effect on any Awards made under the Plan. No Eligible Employee, beneficiary or other person shall have any claim as a result of any such action.
- 12.8 *Unfunded Plan.* The Plan is intended to constitute an unfunded plan for incentive compensation. Prior to the payment of any Award, nothing contained herein shall give any rights that are greater than those of a general creditor of the Company or an Affiliated Entity.
- 12.9 *Severability.* If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any of the other provisions of the Plan, and this Plan shall be construed and enforced as if such provision had not been included in the Plan.
- 12.10 *Governing Law.* While the Plan is intended to be administered in compliance with local laws and regulations, to the extent there is a conflict, the Plan and all actions taken thereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware without reference to principles of conflict of laws. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

- 12.11 *Nontransferability.* A person's rights and interests under the Plan, including any Award previously made to such person or any amounts payable under the Plan, may not be sold, assigned, pledged, transferred or otherwise alienated or hypothecated except, in the event of death, to a designated beneficiary as may be provided in the Plan, or in the absence of such designation, by will or the laws of descent and distribution.
- 12.12 *Beneficiaries.* To the extent the Committee permits beneficiary designations, any payment of Awards under the Plan to a deceased Eligible Employee shall be paid to the beneficiary duly designated by the Eligible Employee in accordance with the Company's or an Affiliated Entity's practices. If no such beneficiary has been designated or survives the Eligible Employee, payment shall be made to the Eligible Employee's estate. A beneficiary designation, if such are permitted, may be changed or revoked by an Eligible Employee at any time, provided the change or revocation is filed with the Committee prior to the Eligible Employee's death.
- 12.13 *Successor.* All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.
- 12.14 *Relationship to Other Benefits.* No payment of benefit under the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, termination programs and/or indemnities or severance payments, welfare or other benefit plan of the Company or any Affiliated Entity, except to the extent otherwise expressly provided in writing in such other plan or arrangement.
- 12.15 *Replacement Plan.* This Plan is intended to replace the United Technologies Corporation Annual Executive Incentive Compensation Plan ("ICP"), as amended. As allowed by local law, all reference to the ICP in individual employment agreements is hereby replaced with reference to the RTX Corporation Executive Annual Incentive Plan. As provided in Section 4, an Eligible Employee may not participate in this Plan and another annual incentive plan of the Company or an Affiliated Entity simultaneously or for the same Performance Period. If an Eligible Employee makes a claim for benefits under the ICP or other annual incentive plan, any award under this Plan for the same Performance Period shall be immediately forfeit.

**RTX CORPORATION
EXECUTIVE SEVERANCE PLAN**

(As Amended and Restated as of October 1, 2023)

PREAMBLE

Purpose. The Human Capital & Compensation Committee of the Board of Directors (the “Committee”) recognizes that corporate restructuring, and other organizational changes are often required to more effectively meet the needs of the Company, which creates uncertainty for Company executives that may result in the loss or distraction of executives to the detriment of the Company and its shareholders. The Committee considers the avoidance of such loss and distraction to be essential to protecting and enhancing the best interests of the Company and its shareholders.

Effective Date of Plan and Amendments. To fulfill the above purposes, the Committee established the Raytheon Technologies Corporation Executive Severance Plan effective as of April 4, 2022 (the “Effective Date”). The Plan is hereby amended and restated, effective as of October 1, 2023, for purposes of renaming the Plan, the RTX Corporation Executive Severance Plan, changing all company references from ‘Raytheon Technologies Corporation’ to ‘RTX Corporation’, to clarify the Company’s intent retroactive to the Plan Effective Date, to exclude certain employee populations from the Plan that operate outside the standard RTX compensation and benefits structure, and certain other minor administrative changes.

**SECTION 1
DEFINITIONS**

Certain terms used herein have the definitions given to them in the first place in which they are used. As used herein, the following words and phrases shall have the following respective meanings:

1.1 “Affiliated Entity” means any entity controlled by, controlling or under common control with the Company.

1.2 “Annual Base Salary” means the annual base salary paid or payable, including any base salary that is subject to deferral and reduced to account for part-time status, to the Participant by the Company or any of the Affiliated Entities at the rate in effect immediately prior to the Termination Date.

1.3 “Benefit Continuation Period” means the period of twelve (12) months from the Termination Date.

1.4 “Cause” means (a) “Cause” as defined in the Company’s 2018 Long-Term Incentive Plan, as amended and restated, and as further amended from time to time; (b) violation of the Company’s Code of Conduct; (c) such other actions or omissions that constitute willful misconduct, willful failure to perform, or gross negligence in the performance of, reasonable duties of employment; (d) disruptive behavior, or other such actions on the part of the Participant

that renders his or her employment untenable as determined by the Committee; or (e) Participant's loss or failure to maintain any security clearance required for the Participant's position.

1.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.6 "Committee" means the Human Capital & Compensation Committee of the Board of Directors of RTX Corporation.

1.7 "Company" means RTX Corporation.

1.8 "Executive" means an executive level employee (*i.e.*, job grades E5 (excluding Executive Leadership Group ("ELG") members), E4, E3, E2 and E1) of the Company or an Affiliated Entity who is on U.S. payroll, subject to U.S. tax withholding, and whose primary work location is one of the fifty (50) states of the United States or the District of Columbia, as of immediately prior to the Termination Date. For the avoidance of doubt, a work location while on international assignment shall not be considered a primary work location.

1.9 "Disability" has the meaning given to such term in the Company's 2018 Long- Term Incentive Plan, as amended and restated, and as further amended from time to time.

1.10 "Notice of Termination" means a notice in writing (including an email communication) delivered by the Company to the Executive to inform the Executive (a) of whether their termination shall be a Qualifying Termination under the terms of this Plan; and (b) if the Termination Date (as defined herein) is other than the date of receipt of such notice, specifies the Termination Date (which Termination Date shall be not more than one hundred and twenty (120) days after the date of the written notice). The failure by the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Cause shall not waive any right of the Company or preclude the Company, from asserting such fact or circumstance in enforcing the Company's respective rights hereunder.

1.11 "Participant" shall mean each Executive, excluding: (a) any individual who has received a formal communication, consistent with the Company's usual practice for employee transfers, of such individual's transfer to a position in a jurisdiction outside of the United States; (b) any Executive with an employment agreement that contains severance provisions; and (c) any individual who is employed by an acquired Affiliated Entity that has not been integrated into the RTX Total Rewards compensation and benefits programs, including the RTX global job framework and RTX health and welfare plans.

1.12 "Plan Administrator" means the Company's Chief Human Resources Officer, or his or her duly authorized designee or designees, which shall include the Corporate Vice President, Total Rewards; *provided* that with respect to each Participant who is a Section 16 Officer of the Company, the Plan Administrator shall be the Committee.

1.13 "Qualifying Termination" means an involuntary termination of a Participant's employment by the Company other than for Cause, death, or Disability. For the avoidance of doubt, "Qualifying Termination" requires actual job loss and shall not include a change in employer relationship for reasons including, without limitation, a divestiture, outsourcing, spin-

off, merger or other corporate transaction, including, but not limited to, the sale or transfer of a plant, division, department or other unit or assets of the Company or an Affiliated Entity where the Participant's employment continues post-transaction or, in the case of an involuntary termination of employment as a direct result of such transaction, if the Participant is offered employment (whether or not compensation, benefits and the like are comparable) by the acquirer or successor employer or a subsidiary of the acquirer or successor employer upon the completion of the transaction.

1.14 "Section 16 Officer" means an employee of the Company designated as an officer under Section 16(a) of the Securities Exchange Act of 1934.

1.15 "Target Annual Incentive" means the Participant's target annual incentive (bonus) opportunity pursuant to the Company's applicable annual incentive plan in effect immediately prior to the Termination Date.

1.16 "Termination Date" means the date of receipt of a Notice of Termination from the Company, or any later date specified in the Notice of Termination. Notwithstanding the foregoing, in no event shall the Termination Date occur until the Participant experiences a "separation from service" within the meaning of Section 409A of the Code, and the date on which such separation from service takes place shall be the "Termination Date."

SECTION 2 SEPARATION BENEFITS

2.1 Qualifying Termination. If a Participant experiences a Qualifying Termination, the Company shall pay or provide to the Participant the following payments and benefits at the time or times set forth below, subject to Section 7:

(a) a lump sum payment in cash of items (i)(B), (ii) and (iii) below, subject to (other than in the case of the Accrued Obligations and Other Benefits) the Participant's execution and non-revocation of a General Release of Claims and Restrictive Covenant Agreement substantially in the form attached hereto as Exhibit A, payable as soon as practicable following the date on which such agreement becomes effective and irrevocable and in any event no later than the seventieth (70th) calendar day following the Termination Date, provided that, when the payment period crosses two calendar years, the payment will be made as soon as practicable after all conditions have been satisfied, but in no event earlier than the first day of the second year, equal to the aggregate of the following amounts:

(i) the sum of (A) the Participant's accrued Annual Base Salary through the Termination Date, (B) any annual incentive payment earned by the Participant for a performance period that was completed prior to the Termination Date, with the award paid at the Target Annual Incentive value, unless a Participant's annual incentive award was approved by the Plan Administrator and communicated to the Participant prior to the date the Participant was notified by the Company of their Termination Date, and (C) any business expenses incurred by the Participant that are unreimbursed as of the Termination Date, in each case,

to the extent not theretofore paid (the sum of the amounts described in clauses (A), (B), and (C) shall be hereinafter referred to as the “Accrued Obligations”); *provided that*, notwithstanding the foregoing, in the case of clauses (A) and (B), if the Participant has made an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Code to defer any portion of the Annual Base Salary or annual incentive payment described in clause (A) or (B) above, then for all purposes of this Section 2(i), such deferral election, and the terms of the applicable arrangement, shall apply to the same portion of the amount described in such clauses (A) or (B), and such portion shall not be considered as part of the “Accrued Obligations” but shall instead be an “Other Benefit” (as defined below);

(ii) a payment equal to the product of (A) the Target Annual Incentive and (B) a fraction, the numerator of which is the number of days in the fiscal year the Participant was employed by the Company (beginning on the later of the: (i) first (1st) day of such fiscal year; or (ii) the first (1st) day during the fiscal year in which the Participant began employment with the Company); and ending on and including the Termination Date, and the denominator of which is the total number of days in such fiscal year; and

(iii) a payment equal to the Participant’s Annual Base Salary.

(b) Treatment of Annual Base Salary and Pro-Rata Target Annual Incentive. The value of the Participant’s Annual Base Salary and pro-rata Target Annual Incentive, as set forth in paragraphs (ii) and (iii) of Section 2(a) above will not be treated as compensation for purposes of any of the Company’s retirement or benefit programs. These benefits are provided in consideration of the Participant’s execution and non- revocation of a General Release of Claims and Restrictive Covenant Agreement and fulfillment of the promises contained therein.

(c) Healthcare Benefits. For the Benefit Continuation Period, the Company shall continue to provide to the Participant (and Participant’s dependents actively covered by healthcare benefit coverage pursuant to a plan sponsored by the Company or an Affiliated Entity as of immediately prior to the Termination Date, if any (the “eligible dependents”)) healthcare benefit coverage (including medical, prescription, dental, vision, basic life, and employee assistance program coverage, but exclude annual executive physical benefits if applicable) equal to the coverage that would have been provided if the Participant had continued employment with the Company during the Benefit Continuation Period. The Participant will not be required to pay any portion of the premium for such coverage, though deductibles and co-pays (if any) will continue to apply. If the Participant becomes reemployed with another employer during the Benefit Continuation Period and is eligible to receive any of the types of healthcare benefits under another employer-provided plan, the healthcare benefit coverage that is duplicative of the type of coverage provided hereunder shall cease. The Participant shall promptly notify the Company that the Participant has become eligible to receive healthcare benefits under another employer-provided plan. The period for providing continuation coverage under the group health plans of the Company and the Affiliated Entities as described in

Section 4980B of the Code (i.e., “COBRA” continuation benefits), if applicable, shall commence upon the expiration of the Benefits Continuation Period (or, if earlier, upon the cessation of the healthcare benefits coverage provided hereunder).

(d) Other Benefits. To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Participant any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy or practice, or contract or agreement of the Company and the Affiliated Entities (such other amounts and benefits shall be hereinafter referred to as the “Other Benefits”).

SECTION 3 NONDUPLICATION; NO OFFSET; REPAYMENT; ENTIRE UNDERSTANDING

3.1 Nonduplication of Payments and Benefits. The amount of the payment under Section 2.1(a)(iii) of this Plan will be offset and reduced by the full amount and/or value, as determined by the Plan Administrator in its sole discretion, of any severance benefits, compensation and benefits provided during any notice period, pay in lieu of notice, mandated termination indemnities, or similar benefits that the Participant may separately be entitled to receive from the Company or any Affiliated Entity based on any employment agreement or other contractual obligation (whether individual or union/works council) or statutory scheme. If a Participant’s employment is terminated because of a plant shut-down or mass layoff or other event to which the Worker Adjustment and Retraining Notification Act of 1988 or similar state law (collectively, “WARN”) applies, then the amount of the severance payment under Section 2.1(a)(iii) of this Plan to which the Participant is entitled shall be reduced, dollar for dollar, by the amount of any pay provided to the Participant in lieu of the notice required by WARN, and the Benefits Continuation Period shall be reduced for any period of benefits continuation or pay in lieu thereof provided to Participant due to the application of WARN.

3.2 No Offset or Mitigation. Except as otherwise expressly provided in Section 3.1 or as specifically provided in the General Release of Claims and Restrictive Covenant Agreement, the Company’s obligation to provide the payments and benefits under this Plan and otherwise to perform its obligations hereunder shall be absolute and unconditional and shall not be affected by any setoff, counterclaim, recoupment, defense or other claim, right or action that the Company may have against a Participant or others. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to such Participant under any of the provisions of this Plan and, except as provided in Section 2.1(c) regarding healthcare benefits, no payments or benefits received from other employment shall serve to mitigate the payments and benefits hereunder.

3.3 Reemployment by the Company. If the Company or an Affiliated Entity offers the Participant employment (at the Company or Affiliate’s sole discretion), and Participant accepts such employment within twelve (12) months after the Participant’s Termination Date, then as a condition of that reemployment, Participant will be required to repay to the Company a pro-rata portion of the severance payment under Section 2.1(a)(iii) of this Plan. The pro-rata portion the

Participant will be required to repay will be determined by multiplying the payment by a fraction, where the denominator of the fraction will be twelve (12), and the numerator will be twelve (12) minus the number of full months between the Participant's Termination Date and the Participant's reemployment date.

3.4 Entire Understanding.

(a) This Plan constitutes the entire understanding between the Company and each Participant relating to the severance payments or benefits to be paid or provided to the Participant by the Company upon a termination of employment that occurs on or after the Effective Date and supersedes all prior agreements and understandings with respect to the subject matter of this Plan, but specifically excluding Executive Leadership Group (ELG) agreements. To the extent permitted by applicable law, Each Participant's eligibility to receive severance payments or benefits under this Plan following the Effective Date shall preclude the Participant from claiming severance benefits under any other contractual arrangement with the Company or any Affiliated Entity during such period and, to the extent that such preclusion is not permitted by applicable law, then the severance payments under this Plan will be subject to offset and reduction in accordance with Section 3.1.

(b) Severance payments and benefits provided under the Plan shall in no way affect the Participant's ability to terminate employment by reason of the Participant's "retirement" under, or to be eligible to receive benefits under, any compensation and benefits plans, programs or arrangements of the Company or the Affiliated Entities, including, without limitation, any retirement or pension plans or arrangements or substitute plans adopted by the Company, the Affiliated Entities or their respective successors.

SECTION 4 AMENDMENT AND TERMINATION

This Plan may be terminated or amended in any respect by resolution adopted by the Committee; *provided* that, with respect to any Participant who has experienced a Qualifying Termination, during the period after such Qualifying Termination and before the time at which such Participant has received all severance payments and benefits due under the Plan, the Plan may not be terminated, or amended in a manner that reduces the severance payments and benefits otherwise due to such Participant, in each case without such Participant's consent; and *provided further*, that an amendment that is strictly administrative or ministerial in nature shall not require resolution adoption by the Committee and may be approved by the Plan Administrator.

SECTION 5 PLAN ADMINISTRATION

5.1 General. The Plan Administrator is responsible for the general administration and management of this Plan and shall have all powers and duties necessary to fulfill its responsibilities, including, but not limited to, the discretion to interpret and apply the provisions

of this Plan, to modify the provisions of this Plan, or the General Release of Claims and Restrictive Covenant Agreement, as applied to any Participant providing services outside of the United States to the extent necessary or appropriate in order to comply with any applicable legal or regulatory provisions and otherwise to carry out the intent and purpose of this Plan, and to determine all questions relating to eligibility for benefits under this Plan, to interpret or construe ambiguous, unclear, or implied (but omitted) terms in any fashion it deems to be appropriate, and to make any findings of fact needed in the administration of this Plan. All decisions, interpretations and other actions of the Plan Administrator shall be final, conclusive and binding on all parties who have an interest in this Plan. In the event of a civil action challenging any Plan Administrator decision, the standard of review shall be deferential rather than *de novo* and the Plan Administrator's decisions may be overturned only if deemed unreasonable, arbitrary or capricious.

5.2 ERISA. This Plan (a) shall be considered to be an unfunded plan maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees (a "top-hat plan"), and (b) shall be administered in a manner that complies with the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that are applicable to top-hat plans.

5.3 Claims Procedure.

(a) Initial Claims. A Participant who believes that such Participant is entitled to a payment under this Plan that has not been received may submit a written claim for benefits under this Plan within sixty (60) days after the Participant's Termination Date. If the Participant's claim is denied, in whole or in part, such Participant will be furnished with written notice of the denial within ninety (90) days after the Plan Administrator's receipt of the Participant's written claim, unless special circumstances require an extension of time for processing the claim, in which case, the decision period may be extended by up to an additional ninety (90) days. If such an extension of time is necessary, written notice of the extension will be furnished to the Participant before the termination of the initial ninety (90)-day period and will describe the circumstances requiring the extension and the date by which a decision is expected to be rendered. Written notice of the denial of the Participant's claim will contain the following information:

- (i) the reason or reasons for the denial of the Participant's claim;
- (ii) references to the Plan provisions on which the denial of the Participant's claim was based;
- (iii) a description of any additional information or material required by the Plan Administrator to reconsider the Participant's claim (to the extent applicable) and an explanation of why such material or information is necessary; and
- (iv) a description of this Plan's review procedures and time limits applicable to such procedures, including a statement of the Participant's right to

bring a civil action under Section 502(a) of ERISA following a benefit claim denial on review.

(b) Appeal of Denied Claims. If the Participant's claim is denied, the Participant (or the Participant's authorized representative) may file a request for review of the claim in writing with the Plan Administrator. This request for review must be filed no later than sixty (60) days after the Participant has received written notification of the denial.

(i) Such request for review may include any comments, documents, records and other information relating to the Participant's claim for benefits.

(ii) The Participant has the right to be provided with, upon request and free of charge, reasonable access to and copies of all pertinent documents, records and other information that is relevant to the Participant's claim for benefits.

(iii) The review of the denied claim will take into account all comments, documents, records and other information that the Participant submitted relating to the Participant's claim, without regard to whether such information was submitted or considered in the initial denial of the Participant's claim.

(c) Plan Administrator's Response to Appeal. The Plan Administrator will notify the Participant of its decision within sixty (60) days after the Plan Administrator's receipt of the Participant's written claim for review; *provided* that the Plan Administrator may extend the review period by up to sixty (60) additional days, if the Plan Administrator notifies the Participant in writing of the need for an extension (and the reason therefor) before the end of the initial sixty (60)-day period. If the Plan Administrator makes an adverse decision on appeal, the Plan Administrator shall communicate its decision in a writing that includes:

(i) the reason or reasons for the denial of the Participant's appeal;

(ii) reference to the Plan provisions on which the denial of the Participant's appeal is based;

(iii) a statement that the Participant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, this Plan and all documents, records and other information relevant to the Participant's claim for benefits; and

(iv) a statement describing the Participant's right to bring an action under Section 502(a) of ERISA.

(d) Exhaustion of Administrative Remedies. The exhaustion of these claims procedures is mandatory for resolving every claim and dispute arising under this Plan. As to such claims and disputes:

(i) no claimant shall be permitted to commence any arbitration or legal action to recover benefits or to enforce or clarify rights under this Plan or under any provision of law until these claim procedures have been exhausted in their entirety;

(ii) failure to submit a claim, appeal or any required information by the applicable deadline under these claims procedures shall result in forfeiture of the benefits being claimed;

(iii) in any civil action, arbitration or other agreed upon dispute resolution procedure, all explicit and implicit determinations by the Plan Administrator (including, but not limited to, interpretation of disputed plan terms, factual findings, and determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law and shall be overturned only if deemed unreasonable, arbitrary or capricious; and

(iv) no legal action or arbitration may be commenced by the Participant later than one hundred eighty (180) days subsequent to the date of the written response of the Plan Administrator to a Participant's request for review pursuant to Section 5.3(c).

5.4 Indemnification. To the extent permitted by law, the Company shall indemnify the Plan Administrator and his or her delegates from all claims for liability, loss or damage (including the payment of expenses in connection with defense against such claims) arising from any good faith action, or failure to act, by the Plan Administrator in connection with this Plan.

SECTION 6 SUCCESSORS; ASSIGNMENT

6.1 Successors. The Company shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform, by a written agreement in form and in substance satisfactory to the Company, all of the obligations of the Company under this Plan. As used in this Plan, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid that assumes and agrees to perform this Plan by operation of law, written agreement or otherwise.

6.2 Assignment of Rights. It is a condition of this Plan, and of all rights of each person eligible to receive benefits under this Plan, that no right or interest of any such person in this Plan shall be assignable or transferable in whole or in part, except by will or the laws of descent and distribution or other operation of law, including, but not by way of limitation, lawful execution, levy, garnishment, attachment, pledge, bankruptcy, alimony, child support or qualified domestic relations order.

SECTION 7
SECTION 409A OF THE CODE

7.1 General. The obligations under this Plan are intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Any payments that qualify for the “short-term deferral” exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception to the maximum extent possible. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code and applying the exclusion under Section 409A for short-term deferral amounts, the separation pay exception, or any other exception or exclusion under Section 409A of the Code, each payment of compensation under this Plan shall be treated as a separate payment of compensation. All payments to be made upon a termination of employment under this Plan may only be made upon a “separation from service” under Section 409A of the Code to the extent necessary in order to avoid the imposition of penalty taxes on a Participant pursuant to Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar year of any payment under this Plan.

7.2 Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in this Plan, all reimbursements and in-kind benefits provided under this Plan that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including, without limitation, where applicable, the requirement that (a) in no event shall the Company’s obligations to make such reimbursements or to provide such in-kind benefits apply later than the Participant’s remaining lifetime (or if longer, through the twentieth (20th) anniversary of the Effective Date); (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (c) the reimbursement of eligible fees and expenses shall be made no later than the last day of the calendar year following the year in which the applicable fees and expenses were incurred; *provided* that the Participant shall have submitted an invoice for such fees and expenses at least thirty (30) days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

7.3 Delay of Payments. Notwithstanding any other provision of this Plan to the contrary, if a Participant is considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Termination Date), any payment or benefit that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to be paid to such Participant under this Agreement during the six (6)-month period immediately following such Participant’s separation from service (as determined in accordance with Section 409A of the Code) because of such Participant’s separation from service shall be accumulated and paid to such Participant on the first (1st) business day of the seventh (7th) month following the Participant’s separation from service (the “Delayed Payment Date”), or the next regularly scheduled payroll cycle thereafter, to the extent necessary to avoid penalty taxes or accelerated taxation pursuant to Section 409A of the Code. If such Participant dies during the postponement

period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of his or her estate on the Delayed Payment Date.

SECTION 8 MISCELLANEOUS

8.1 Governing Law. To the extent not preempted by ERISA, this Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

8.2 Withholding. The Company may withhold from any amount payable or benefit provided under this Plan such federal, state, local, foreign and other taxes as are required to be withheld pursuant to any applicable law or regulation.

8.3 Gender and Plurals. Wherever used in this Plan document, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.

8.4 Plan Controls. In the event of any inconsistency between this Plan document and any other communication regarding this Plan, this Plan document shall control. The captions in this Plan are not part of the provisions hereof and shall have no force or effect.

8.5 Not an Employment Contract. Neither this Plan nor any action taken with respect to it shall confer upon any person the right to continued employment with the Company.

8.6 Notices. Any notice or other communication required to be delivered to the Company by a Participant hereunder (including, without limitation, any claim submitted by a Participant pursuant to Section 5 and the Plan Administrator's response thereto) shall be properly delivered to the Company when delivered by electronic mail to the RTX Corporation Total Rewards Department:

Attention: Corporate Vice President, Total Rewards Email Address:
RTXTotalRewards@rtx.com

Any notice required to be delivered to the Participant by the Company hereunder shall be properly delivered to the Participant when the Company delivers such notice personally, by placing said notice in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid to that person's last known address as reflected on the books and records of the Company, or by sending said notice to the Participant's Company email address prior to the Termination Date and thereafter to the email address provided by the Participant to the Company.

8.7 Severability. If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of this Plan, and this Plan shall be construed and enforced as if such provision had not been included in this Plan.

Exhibit A

GENERAL RELEASE OF CLAIMS AND RESTRICTIVE COVENANT AGREEMENT

THIS GENERAL RELEASE OF CLAIMS AND RESTRICTIVE COVENANT AGREEMENT (this "Agreement") is entered into between [●] ("Executive") and RTX Corporation (the "Company"), on behalf of the Company and its Affiliated Entities, as of [●]. Capitalized terms used and not defined herein shall have the meanings provided in the RTX Corporation Executive Severance Plan (the "Plan"). The entering into and non-revocation of this Agreement is a condition to Executive's right to receive the severance payments and benefits under Section 2.1 of the Plan (other than the Accrued Obligations and Other Benefits).

Accordingly, Executive and the Company agree as follows:

1. Release of Claims.

(a) *Executive Release of Claims.* Executive, for Executive, Executive's heirs, administrators, representatives, executors, successors and assigns, hereby irrevocably and unconditionally releases, acquits and forever discharges and agrees not to sue the Company or any of its Affiliated Entities and their respective current and former directors, officers, shareholders, trustees, employees, consultants, independent contractors, successors and assigns, and all persons acting by, through or under or in concert with any of them, from all actions, damages, losses, costs and claims of any and every kind and nature whatsoever, at law or in equity, whether absolute or contingent, up to and including the date of this Agreement, arising from or relating to Executive's employment with, or termination of employment from, the Company and its Affiliated Entities, and from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any nature whatsoever, known or unknown, suspected or unsuspected and any claims of wrongful discharge, breach of contract, implied contract, promissory estoppel, defamation, slander, libel, tortious conduct, employment discrimination or claims under any federal, state or local employment statute, law, order or ordinance, including any rights or claims arising under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"); Title VII of the Civil Rights Act of 1964, as amended; the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990, as amended; the Employee Retirement Income Security Act of 1974, as amended; and any other federal, state or local laws or regulations prohibiting employment discrimination. This Agreement specifically excludes (i) Executive's right to receive the amounts and benefits under the Plan and to enforce the terms of this Agreement, (ii) Executive's rights to vested amounts and benefits under any employee benefit plan of the Company or its Affiliated Entities, (iii) any claims arising after the date hereof, and (iv) any claim or right Executive may have to indemnification or coverage under the Company's or any of its Affiliated Entities' respective bylaws or directors' and officers' insurance policies or any agreement to which Executive is a party or a third-party beneficiary. To the maximum extent permitted by law, Executive agrees that Executive has not filed, nor will Executive ever file, a lawsuit asserting any claims that are released by this Agreement, or to accept any benefit from any lawsuit that might be filed by another person or governmental entity based in whole or in part on any event, act, or omission that is the subject of the release contained in this Agreement. The Executive agrees to ratify and confirm the release and waiver

effective as of the Termination Date as a pre-condition to receiving any of the benefits hereunder.

(b) *EEOC*. The parties agree that this Agreement shall not affect the rights and responsibilities of the U.S. Equal Employment Opportunity Commission (“EEOC”) to enforce ADEA and other laws. Executive agrees, however, to waive the right to recover monetary damages in any charge, complaint or lawsuit filed by Executive or on Executive’s behalf with respect to any claims released in this Agreement.

(c) *Section 1542 of the California Civil Code*. The parties hereto expressly acknowledge and agree that all rights under Section 1542 of the California Civil Code are expressly waived. That section provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(d) *Executive Acknowledgment*. Executive shall take any action requested by the Company to ensure Executive’s removal and termination, with effect from the Termination Date, from all offices, directorships, board or committee memberships and fiduciary capacities in which Executive served at the Company and its Affiliated Entities.

2. **Restrictive Covenants.**

(a) *Protection of Confidential Information*. Executive shall hold in a fiduciary capacity for the benefit of the Company and its Affiliated Entities all secret or confidential information, knowledge, or data relating to the Company and its Affiliated Entities and businesses, which information, knowledge or data shall have been obtained by Executive during Executive’s employment by the Company or its Affiliated Entities and which information, knowledge or data shall not be or become public knowledge (other than by acts by Executive or representatives of Executive in violation of this Agreement) (collectively, “Confidential Information”), and Executive agrees not to provide such Confidential Information, directly or indirectly, to any third party; *provided* that any information that: (i) is lawfully received by Executive from any third party without restriction on disclosure or use, or (ii) is required to be disclosed by law, shall not be deemed to be Confidential Information for purposes of this Section 2(a). Executive shall not, without the prior written consent of the Company or as may otherwise be required by law, use, communicate or divulge any such Confidential Information. Notwithstanding any other provisions of this Section 2(a), pursuant to 18 USC Section 1833(b), Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information that is a trade secret that is made: (A) confidentially to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose such trade secret to Executive’s attorney and use the trade secret information in related court proceedings, *provided* that

Executive files any document containing the trade secret information under seal and does not disclose the trade secret, except pursuant to court order. Notwithstanding any provision of this Agreement to the contrary, the provisions of this Agreement are not intended to, and shall be interpreted in a manner that does not, limit or restrict Executive from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934).

(b) *Noncompetition.* To further ensure the protection of the Confidential Information, Executive agrees that for a period of one (1) year after Executive's Termination Date, Executive will not accept employment with or provide services in any form to (including serving as a director, partner or founder, or entering into a consulting relationship or similar arrangements) a business that (i) competes, directly or indirectly, with the Company or any of the Company's principal business units as of the Termination Date; or (ii) is a material customer of or a material supplier to any of the Company's businesses as of the Termination Date (a "Competitive Business"); *provided* that, it shall not be considered a breach of this Agreement for Executive to be a passive owner of not more than 5% of the outstanding stock or other securities or interests of a corporation or other entity that is a Competitive Business, so long as Executive has no direct or indirect active participation in the business or management of such corporation or entity. Executive acknowledges that the Company is a global enterprise with competitors, customers and suppliers throughout the world and for that reason there are no geographic limitations on the covenants in this Section 2(b) or (c).

(c) *Employee and Customer Nonsolicitation.* Executive agrees that for a period of two (2) years after Executive's Termination Date, that Executive shall not, directly or indirectly:

(i) solicit any individual who is, at the time of such solicitation (or was during the three (3)-month period prior to the date of such solicitation), employed by the Company or one of its Affiliated Entities with whom Executive had direct contact (other than incidental) during the two (2)-year period prior to the Termination Date, to terminate or refrain from rendering services to the Company or its Affiliated Entities for the purpose of encouraging such individual to become employed by, or to become a consultant to, a non-RTX entity or any other unrelated individual, or

(ii) induce or attempt to induce any current customer, investor, supplier, licensee or other business relation of the Company or any of its Affiliated Entities with whom or which Executive had direct contact (other than incidental) during the two (2)-year period prior to the Termination Date ("Customer") to cease doing business with the Company or its Affiliated Entities, or in any way interfere with the relationship between any such Customer, on the one hand, and the Company or any of its Affiliated Entities, on the other hand.

(d) *Non-disparagement.* Executive agrees not to disparage or defame, through any public medium (including social media) the business reputation, technology, products, practices or conduct of the Company or its Affiliated Entities or any member of the board of directors or any executive officer of the Company in their capacity as such. Nothing in this Agreement or elsewhere shall prevent Executive from making statements in confidence to an

immediate family member or to an attorney for the purpose of seeking legal advice, or from making truthful statements when required by law, subpoena or the like, or in arbitration or other legal proceeding permitted under this Agreement and/or the Plan, as applicable.

(e) *Return of Property.* On or before the Termination Date, the Executive will return all Company property, including Company issued laptop, cell phone, and other electronic devices (as applicable). The Executive acknowledges and agrees that all Confidential Information, documents and materials supplied to or developed by Executive in the course of, or as a result of his or her employment at the Company, shall be the sole property of Company. The Executive will immediately upon termination of employment, return all originals and copies (electronic and hard copy) of the Company property to the Company. The Executive also agrees that the Executive will not copy or remove from the Company's place of business, or the place of business of a customer of the Company, property or information belonging to the Company or entrusted to the Company by a customer.

(f) *Executive Acknowledgment.* Executive acknowledges that Executive's agreement to comply with the covenants in this Section 2 is in consideration for the payments and benefits to be received by Executive under Section 2.1 of the Plan. Executive understands that the covenants in this Section 2 may limit Executive's ability to work in a business similar to the business of the Company and its Affiliated Entities; *provided, however,* Executive agrees that, in light of Executive's education, skills, abilities and financial resources, Executive shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the covenants in this Section 2, that any provisions of such covenants prevent Executive from earning a living. Executive acknowledges that the Intellectual Property Agreement between Executive and the Company, and all restrictive covenants applicable to the Participant pursuant to the applicable Company Long-Term Incentive Plan, any schedule of terms thereunder, and the Company's Clawback Policy, including all related forfeiture and recoupment provisions, will continue in full force and effect following the Termination Date and are in addition to Executive's obligations hereunder. To the extent the Executive does not currently have an intellectual property ("IP") Agreement on file with the Company, the Executive agrees to sign the IP Agreement, attached hereto as Exhibit A-1, as a condition precedent to receiving benefits under this Agreement.

(g) *Remedies.* Executive acknowledges that the Company and its Affiliated Entities would be irreparably injured by a violation of Section 2(a), (b), (c) or (d), and Executive agrees that the Company and such Affiliated Entities, in addition to any other remedies available, shall be entitled to: (i) a preliminary injunction, temporary restraining order or other equivalent relief, restraining Executive from any actual or threatened material breach of any of Sections 2(a), (b), (c) or (d), or (ii) to cause the Executive to forfeit any remaining vested or unvested Company equity awards or remaining unpaid severance payments or benefits upon any material breach of any of Sections 2(a), (b), (c) or (d). In the event of such a material breach, the Company's remedies shall also include, but not be limited to, the right to recover the payments and value of payments and benefits provided under Section 2 of the Plan.

(h) *Severability; Blue Pencil.* Executive acknowledges and agrees that Executive has had the opportunity to seek advice of counsel in connection with this Agreement, and the restrictive covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. If it is determined that any provision of this Section 2 is

invalid or unenforceable, the remainder of the provisions of this Section 2 shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any covenant in this Section 2 is unenforceable because of the duration or geographic scope of such covenant, then, after such determination becomes final and nonappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such covenant shall be enforced.

(i) *Cooperation.* The Executive agrees to cooperate with the Company following the Termination Date with respect to any matter in which: (i) the Executive was involved during the course of his or her employment; and (ii) Executive's subsequent assistance and cooperation is reasonably necessary or appropriate. Such cooperation will include being reasonably available, and furnishing information as reasonably requested, to the Company and its lawyers, in litigation and governmental investigations. The Company will reimburse the Executive for any reasonable expenses incurred in connection with providing any such assistance.

(j) *No Rehire.* The Executive understands and agrees that, as a condition of receiving the payments and benefits provided under Section 2.1 of the Plan, the Executive will not be entitled to any future employment with the Company. The Executive acknowledges that the Company has no obligation to rehire the Executive or consider him or her for any post-termination applications.

(k) *Reemployment by the Company.* Notwithstanding paragraph (j) above, if the Company or an Affiliate were to offer the Executive employment, and if the Executive accepted such employment within twelve (12) months after the Executive's Termination Date, then as a condition of that reemployment, Executive will be required to repay to the Company a pro-rata portion of the severance payment under Section 2.1(a)(iii) of the Plan. The pro-rata portion the Executive will be required to repay will be determined by multiplying the payment by a fraction, where the denominator of the fraction will be twelve (12), and the numerator will be twelve (12) minus the number of full months between the Executive's Termination Date and the Executive's reemployment date.

3. Timing for Consideration; Revocation.

Executive acknowledges that the Company has specifically advised Executive of the right to seek the advice of an attorney concerning the terms and conditions of this Agreement. Executive further acknowledges that Executive has been furnished with a copy of this Agreement, and Executive has been afforded [twenty-one (21)][OR][forty-five (45)] calendar days in which to consider the terms and conditions of this Agreement. By executing this Agreement, Executive affirmatively states that Executive has had sufficient and reasonable time to review this Agreement and to consult with an attorney concerning his legal rights prior to the final execution of this Agreement. Executive further agrees that Executive has carefully read this Agreement and fully understands its terms. Executive acknowledges that Executive has entered into this Agreement, knowingly, freely and voluntarily. Executive understands that Executive may revoke this Agreement within seven (7) calendar days after signing this Agreement. Revocation of this Agreement must be made in writing and must be received by the

Corporate Vice President, Total Rewards of the Company, at RTXTotalRewards@rtx.com, within the time period set forth above.

4. Effectiveness of Agreement.

This Agreement shall become effective and enforceable on the eighth (8th) calendar day following Executive's delivery of a copy of this executed Agreement to the Company; *provided that* Executive does not timely exercise Executive's right of revocation as described in Section 3 above. If Executive fails to timely sign and deliver this Agreement or timely revokes this Agreement, this Agreement will be without force or effect, and Executive shall not be entitled to the payments or benefits described in Section 2 of the Plan (other than the Accrued Obligations and Other Benefits).

5. Miscellaneous.

(a) *Governing Law.* This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. In furtherance of the foregoing, the internal laws of the State of Delaware will control the interpretation and construction of this Agreement, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(b) *Severability.* The provisions of this Agreement and obligations of the parties are severable, and if any part or portion of it is found to be unenforceable, the other paragraphs shall remain fully valid and enforceable.

(c) *Taxes.* Executive is responsible for any tax liability associated with payments and benefits provided under this Agreement. The Company shall withhold taxes from such payments to the extent required by law.

(d) *Entire Agreement; Amendment.* This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. No amendment to this Agreement shall be binding upon either party unless in writing and signed by or on behalf of such party.

(e) *Dispute Resolution.* Except with respect to claims for breach of the obligations under Section 2 of this Agreement, for which the Company may seek enforcement in any court having competent jurisdiction at its election, any dispute arising between the Company and Executive with respect to the validity, performance or interpretation of this Agreement shall be submitted to and determined in binding arbitration in Farmington, Connecticut, for resolution in accordance with the rules of the American Arbitration Association, modified to provide that the decision of the arbitrator shall be binding on the parties; shall be furnished in writing, separately and specifically stating the findings of fact and conclusions of law on which the decision is based; shall be kept confidential by the arbitrator and the parties; and shall be rendered within sixty (60) days following the arbitrator being impaneled. Costs of the arbitration shall be borne by the party that does not prevail. The arbitrator shall be selected in accordance with the rules of the American Arbitration Association. The forum for any civil action arising

from or relating to this Agreement shall be the United States District Court for the District of Delaware.

(f) *Enforcement.* This Agreement shall inure to the benefit of and be enforceable by Executive's heirs and legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

I hereby agree to the terms of the Release as described above.

ACKNOWLEDGED AND AGREED BY:

Date: _____
[Executive Name]

Exhibit A-1

INTELLECTUAL PROPERTY AGREEMENT

As a condition and in consideration of my employment by, as applicable, **RTX CORPORATION**, or any of its direct or indirect subsidiaries or affiliates, or their successors or assigns, including but not limited to the RTX Business identified in the signature block below (hereinafter collectively “RTX”) and the compensation I receive from RTX for such employment, I, the EMPLOYEE named below, willingly execute this Intellectual Property Agreement (“Agreement”) and agree to the following terms and conditions:

1. Former Employer Proprietary Information. I will not bring with me, disclose, access, reference or use in any way in my work for RTX any confidential or otherwise proprietary information, files, documents, materials, equipment or property of others, including any trade secret information of my prior employers. I represent and acknowledge that no employee or representative of RTX has requested me to do so, and that no employee or representative will have the authority to instruct me to do so at any time. I further represent that my work for RTX and compliance with this Agreement will not breach any obligation I have to, or agreement that I previously entered into with, any prior employer, including any non-disclosure, non-compete or other restrictive covenant agreement.

2. RTX Proprietary Information.

(a) I acknowledge that during my employment I will obtain, receive and/or gain access to certain valuable trade secret, confidential or otherwise proprietary information not generally known to the public, developed by, for or at the expense of RTX, or assigned or entrusted to RTX by me or others (collectively, “Proprietary Information”). In addition, I acknowledge that I may receive and/or gain access to Proprietary Information in oral, written and/or electronic form. Proprietary Information includes, but is not limited to the following:

(i) Technical information, such as technical data, designs, drawings, documentation, models, schematics, specifications, methods, processes, procedures, techniques, databases, software and computer programs, formulas, compositions, plans, ideas, concepts, inventions, innovations, discoveries, improvements, and know-how;

(ii) Business information, such as business, marketing, sales, procurement and pricing plans and strategies, financial and budget data, asset allocations, customer lists, customer contact information, contractual business relationships, bid information, production plans, supply sources, business methods or tools, intellectual property plans and strategies, and acquisition and divestiture plans and details; and

(iii) All information entrusted to RTX by others, including but not limited to technical and business information provided directly or indirectly by customers, joint venture partners, collaborators, investors, bankers, insurers, vendors, suppliers, agents, or other similar persons.

(b) I understand that my employment creates a relationship of confidence and trust between me and RTX with respect to Proprietary Information. In exchange for RTX granting me access to Proprietary Information, I will not at any time, either during or after my employment, use, publish or otherwise disclose through any means verbally or in writing (including through social media, the Internet or any other electronic communication) any Proprietary Information, except as my RTX duties may require, and in all such events solely for RTX’s benefit and in accordance with applicable RTX policies and procedures. However, I understand that this Agreement does not limit or prohibit me from disclosing information regarding the terms and conditions of employment. I understand that if I am unsure about whether information constitutes Proprietary Information, I will seek the guidance of RTX legal counsel. At RTX’s

request or upon termination of my employment for any reason, I will immediately deliver to or leave with RTX all files, documents, materials, equipment, property and other items and information that belong to RTX or that by their nature are for the use of RTX personnel only, including but not limited to items and information constituting or containing Proprietary Information.

(c) **Notice Regarding Trade Secrets.** Under certain conditions, the Defend Trade Secrets Act of 2016 (Public Law No. 114-153, Section 7) provides immunity from liability for certain disclosures of trade secrets, in confidence or under seal, to the government or in connection with a court proceeding, when related to suspected violations of law raised in good faith. (18 U.S.C. § 1833).

3. Employee Work Product.

(a) I will promptly disclose in confidence to RTX all ideas, concepts, inventions, innovations, discoveries, improvements, works of authorship (including but not limited to illustrations, writings, designs, drawings, documentation, plans, models, schematics, specifications, mask works, software and computer programs), trade secrets, Proprietary Information and other technical and business information authored, conceived, developed, reduced to practice or otherwise created by me, either alone or with others (collectively, "Inventions and Developments"), during the period of my employment with RTX. Additionally, I will maintain for RTX adequate and current written records of all Inventions and Developments that (i) relate to the existing, contemplated, or reasonably foreseeable future business or research or development activities of RTX, or (ii) result from or are related to any work I perform for RTX, or (iii) are otherwise made through the use of RTX time, equipment, supplies, facilities, materials or other resources, or Proprietary Information (such Inventions and Developments being referred to collectively in this Agreement as "Employee Work Product").

(b) I agree that RTX will be the sole owner of all rights, title and interest in and to Employee Work Product. I further acknowledge and agree that, to the maximum extent permissible by applicable law, all Employee Work Product that are protectable by copyright will be "works made for hire" as that term is defined in the United States Copyright Act. To the extent that any Employee Work Product is not a "work made for hire" or is not otherwise owned by RTX, I hereby irrevocably assign and promise to assign to RTX any interest I may have in such Employee Work Product. Both during and after my employment with RTX, I will promptly execute any papers and do any acts (at RTX's expense) that RTX may consider necessary to secure to RTX or its nominees any and all rights relating to Employee Work Product, including but not limited to rights in patents (and renewals or extensions of such rights) in any country. For purposes of my obligations under this Agreement, Employee Work Product includes any Invention or Development made by me, either alone or jointly with others, after termination of my employment with RTX, if I utilized any of RTX's Proprietary Information in creating such Invention or Development.

(c) **Notice Regarding Inventions.** The provisions in this Agreement requiring me to assign rights in inventions do not and will not apply to any Inventions and Developments that I developed entirely on my own time without using RTX's equipment, supplies, facilities, or trade secret information, except for those inventions that either: (i) relate at the time of conception or reduction to practice of the invention to RTX's business, or actual or demonstrably anticipated research or development of RTX; or (ii) result from any work performed by me for RTX. This NOTICE Regarding Inventions is provided in compliance with California Labor Code §§ 2870-2872; Revised Code of Washington §§ 49.44.140-150; Delaware Code Title 19, § 805; Illinois Statutes chapter 765, paragraph 1060/2; Kansas Statute § 44-130; Minnesota Statute § 181.78; North Carolina General Statute § 66-57.1-2; Utah Code §§ 34-39-1 to 3; and any other similar state laws and should be interpreted in a manner consistent with any applicable state law concerning the assignment of employee rights to inventions.

(d) To the extent that all rights I may have in any Employee Work Product are not fully and effectively transferred or assigned to RTX by this Agreement, or if any Employee Work Product (i) is based

on or derived from rights owned, licensed or otherwise held by me and not assigned under this Agreement, including any such rights existing prior to my employment with RTX, or (ii) cannot be exploited without using rights owned, licensed or otherwise held by me, I hereby irrevocably grant and promise to grant to RTX a perpetual, worldwide, paid-up and royalty-free, nonexclusive and sublicensable right and license to freely exploit and exercise all such rights and the Employee Work Product in any manner.

4. Remedies. I acknowledge that nothing in this Agreement is intended to limit any remedy of RTX under any applicable law. I acknowledge that my violation of any provision of this Agreement could cause RTX irreparable harm which cannot be fully compensated by money, and that RTX may be entitled to injunctive or other equitable relief to prevent or stop such breach.

5. Miscellaneous. This Agreement supersedes all prior oral or written agreements between me and RTX relating generally to the same subject matter. This Agreement is effective as of the first day that I performed any work for RTX, and my obligations under this Agreement will survive any termination of my employment with RTX. This Agreement is binding upon me, and my heirs, executors, administrators, legal representatives and assigns. This Agreement may be modified only by an express written document signed by me and an authorized representative of RTX. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, United States of America, without reference to conflicts of law principles. This Agreement does not alter my existing employment relationship with RTX, whether it is currently at-will or based on a written employment agreement. Additionally, this Agreement shall remain effective regardless of future changes in my duties, salary or compensation. If any provision of this Agreement (or any portion of this Agreement) is held to be invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, I agree that the court should modify such provision to the extent necessary to render such provision enforceable, and the remaining provisions of this Agreement will remain in full force and effect. I agree that RTX may notify any of my prior or subsequent employers of this Agreement and my obligations under this Agreement.

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND ITS TERMS. I ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME VOLUNTARILY AND WITHOUT RESERVATION.

This Agreement is executed this _____ day of _____, 20____,
Month

at _____, _____
City State

EMPLOYEE

Signature _____ Residence _____

Print Name _____ City _____

Employee Number _____ State _____ Zip _____

RTX Business _____

RTX CORPORATION
PERFORMANCE SHARE UNIT DEFERRAL PLAN
(As Amended and Restated as of October 1, 2023)

ARTICLE I – PREAMBLE

Section 1.1 – Purpose

The purpose of the RTX Corporation Performance Share Unit Deferral Plan (the “*Plan*”), is to provide eligible Participants with the opportunity to defer receipt of shares of Common Stock in respect of Performance Share Units (“PSUs”) awarded pursuant to a long-term incentive plan (“LTIP”) of the Corporation.

Section 1.2 – Effective Date of Plan and Amendments

(a) The United Technologies Corporation LTIP Performance Share Unit Deferral Plan was originally established in 2008.

(b) The Plan was amended and restated, effective as of January 1, 2020, for the purpose of: (a) documenting certain plan rule changes in the determination of the Valuation Date for PSUs granted prior to, and on or after, January 1, 2008, effective January 1, 2008; (ii) changing the definition of Specified Employee effective as of April 1, 2020; (iii) certain other administrative changes effective as of January 1, 2020; and (iv) changing pertinent references from “United Technologies Corporation” or “UTC” to “Raytheon Technologies Corporation” or “RTX” effective as of April 3, 2020.

(c) The Plan was amended and restated, effective as of June 1, 2022, for the purpose of: (i) renaming the Plan the *Raytheon Technologies Corporation Performance Share Unit Deferral Plan* (ii) eliminating the Separation from Service before Attaining Age 50 provision for prospective deferrals and (iii) to provide for a minimum deferral period of three (3) years and a maximum deferral period of fifteen (15) years.

(d) The Plan is hereby further amended and restated, effective as of October 1, 2023, for the purpose of renaming the Plan the *RTX Corporation Performance Share Unit Deferral Plan* and changing all company references from ‘Raytheon Technologies Corporation’ to ‘RTX Corporation’.

ARTICLE II – DEFINITIONS

For purposes of this Plan, the following terms are defined as set forth below:

(a) *Beneficiary* means the person, persons or entity designated on an electronic or written form by the Participant to receive the value of his or her Plan Account in the event of the Participant’s death in accordance with the terms of this Plan.

(b) *Code or IRC* means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto. Reference to any section of the Internal Revenue Code shall include any final

regulations or other applicable guidance. References to “Section 409A” shall refer to Section 409A of the Code and any final regulations and guidance issued thereunder by the Internal Revenue Service from time to time in effect.

(c) *Committee* means the Deferred Compensation Committee (or successor committee), which is responsible for administration of the Plan.

(d) *Corporation* means RTX Corporation, or any successor thereto.

(e) *Default Distribution* means payment in a lump sum distribution.

(f) *Deferral Period* means the period designated (or deemed to be designated) by the Participant in accordance with this Plan that ends on the Participant’s Separation from Service Date or on a Specific Deferral Date.

(g) *Deferred Share Units* means PSUs that have been deferred pursuant to the terms of this Plan and dividend equivalents that are credited and invested pursuant to Section 7.1.

(h) *Disability* means permanent and total disability as determined under the Corporation’s long-term disability plan applicable to the Participant, or if there is no such plan applicable to the Participant, “Disability” means a determination of total disability by the Social Security Administration; provided that, in either case, the Participant’s condition also qualifies as a “disability” for purposes of Section 409A(a)(2)(C) of the Code.

(i) *Election Form* means the enrollment form provided by the Committee to Participants electronically or in paper form for the purpose of deferring PSUs under the Plan. Each Participant’s Election Form must contain such information as the Committee may require, including: the percentage of the award of PSUs to be deferred with respect to the applicable Performance Cycle, the form of distribution elected, and the distribution start date. There will be a separate Election Form for each Performance Cycle.

(j) *Eligible Employee* means an executive level employee of an RTX Company who: (i) is at a level of E1-E5, (ii) is paid from a U.S. payroll, (iii) is subject to U.S. tax withholding and (iv) has been awarded PSUs.

(k) *ERISA* means the Employee Retirement Income Security Act of 1974, as amended.

(l) *Participant* means an Eligible Employee who elects to defer a portion of such PSUs pursuant to the terms of this Plan. A Participant who has previously deferred under the Plan, but who ceases to be an Eligible Employee, shall not be eligible to further defer PSUs under Article IV, but shall remain a Participant under the Plan with respect to his or her Plan Account until final distribution in accordance with the terms of the Plan.

(m) *Performance Cycle* means the performance measurement period, as established by the Human Capital & Compensation Committee of the Board of Directors of the Corporation

(“Compensation Committee of the Board”), during which the pre-established performance targets are measured for each award of PSUs.

(n) *Performance Cycle Account* means a Plan account established for a Participant for each Performance Cycle for which a Participant has elected to defer PSUs under the Plan. A Performance Cycle Account shall be established effective as of the date that the Compensation Committee of the Board determines the extent to which the performance goals for the applicable Performance Cycle were obtained.

(o) *Performance Share Units or PSUs* means annual restricted stock units granted pursuant to a long-term incentive plan of the Corporation, the vesting of which is conditioned upon the attainment of performance goals and continued service.

(p) *Plan* means the RTX Corporation Performance Share Unit Deferral Plan, as amended from time to time.

(q) *Plan Account* means the aggregate balance of all Performance Cycle Accounts.

(r) *Retirement* means, with regard to PSUs deferred prior to January 1, 2023, a Separation from Service on or after attainment of age 50; and with regard to PSUs deferred on or after January 1, 2023, a *Separation from Service*, regardless of age at the time of Separation from Service.

(s) *Retirement Date* means the date of a Participant’s Retirement.

(t) *RTX Company* means the Corporation or any entity controlled by or under common control with the Corporation within the meaning of Section 414(b) or (c) of the Code (but substituting “at least 20 percent” for “at least 80 percent” as the control threshold used in applying Sections 414(b) and (c)).

(u) *Separation from Service* means a Participant’s termination of employment with all RTX Companies, other than by reason of death. A Separation from Service will be deemed to occur where the Participant and the RTX Company that employs the Participant reasonably anticipate that the bona fide level of services the Participant will perform (whether as an employee or as an independent contractor) for RTX Companies will be permanently reduced to a level that is less than thirty-seven and a half percent (37.5%) of the average level of bona fide services the Participant performed during the immediately preceding thirty-six (36) months (or the entire period the Participant has provided services if the Participant has been providing services to RTX Companies for less than thirty-six (36) months). A Participant shall not be considered to have had a Separation from Service as a result of a transfer from one RTX Company to another RTX Company.

(v) *Share* means a share of RTX Common Stock.

(w) *Specific Deferral Date* means a specified year, not less than three (3) years following the date on which the Performance Cycle Account is established, and not more than fifteen (15) years following the date on which the Performance Cycle Account is established.

(x) *Specified Employee* means each of the fifty (50) highest-paid officers and other executives of the Corporation and its affiliates (determined for this purpose under Treas. Reg. §1.409A-1(g)), effective annually as of April 1st, based on compensation reported in Box 1 of Form W-2, but including amounts that are excluded from taxable income as a result of elective deferrals to qualified plans and pre-tax contributions. Compensation will not include foreign compensation earned by a nonresident alien that is not effectively connected with the conduct of a trade or business in the United States.

(y) *Valuation Date* means the date on which Deferred Share Units included in a Participant's Plan Account are valued prior to distribution. In determining the Valuation date, different Plan rules shall apply to (i) PSUs granted prior to January 1, 2008, (ii) PSUs granted on or after January 1, 2008, but before January 1, 2021, and (iii) PSUs granted on or after January 1, 2021 as follows:

(i) For PSUs granted on or after January 1, 2021, the following rules apply for purposes of determining the Valuation Date:

(A) *Separation from Service*. If the distribution is made because of the Participant's Separation from Service and the distribution is: (1) a lump sum, the Valuation Date will be the July 31st next following the Separation from Service Date (or, if later, the July 31st next following the vesting date for the PSUs) or (2) in installments, the Valuation Date will be the July 31st next following the Separation from Service Date (or, if later, the vesting date for the PSUs) and each subsequent July 31st thereafter for the remaining installments.

(B) *Specific Deferral Date*. If the distribution is made because the Deferral Period has ended on a Specific Deferral Date, the Valuation Date for the lump sum or initial installment distribution will be the July 31st of the Specific Deferral Date and each subsequent July 31st thereafter for any remaining installments.

(C) *Death*. If the distribution is made as a result of the Participant's death, the Valuation Date will be a date that is as soon as practicable prior to the date the distribution is to be made on account of the death.

(ii) For PSUs granted on or after January 1, 2008, but before January 1, 2021, the following rules apply for purposes of determining the Valuation Date:

(A) *Separation from Service prior to age 50*. If the distribution is made because of the Participant's Separation from Service prior to attaining age fifty (50), the Valuation Date for the lump sum distribution will be the July 31st next following the Separation from Service date.

(B) *Retirement*. If the distribution is made because of the Participant's Retirement and the distribution is (1) a lump sum, the Valuation Date will be the July 31st next following the Retirement Date (or, if later, the July 31st next following the vesting date for the PSUs) or (2) in installments, the Valuation Date will be the July 31st next following the Retirement Date (or, if later, the vesting date for the PSUs) and each subsequent July 31st thereafter for the remaining installments.

(C) *Specific Deferral Date.* If the distribution is made because the Deferral Period has ended on a Specific Deferral Date, the Valuation Date for the lump sum or initial installment distribution will be the July 31st of the Specific Deferral Date and each subsequent July 31st thereafter for any remaining installments.

(D) *Death.* If the distribution is made as a result of the Participant's death, the Valuation Date will be a date that is as soon as practicable prior to the date the distribution is to be made on account of the death.

(iii) For PSUs granted prior to January 1, 2008, the following rules apply for purposes of determining the Valuation Date:

(A) *Separation from Service prior to age 50.* If the distribution is made because of the Participant's Separation from Service prior to attaining age fifty (50), the Valuation Date will be determined by reference to the date upon which the Participant's Separation from Service occurs. For Separations of Service that occur in a year (1) prior to July 21st, the Valuation Date will be July 31st of that year, (2) on or after July 21st and prior to October 21st, the Valuation Date will be October 31st, (3) on or after October 21st and prior to December 1st, the Valuation Date will be December 15th, and (4) in the month of December, the Valuation Date will be January 15th of the following year.

(B) *Retirement.* If the distribution is made because of the Participant's Retirement and the distribution is a lump sum, the Valuation Date will be determined by reference to the date upon which the Participant's Retirement Date occurs (or, if later, the vesting date for the PSUs). For Retirement Dates that occur in a year (1) prior to July 21st, the Valuation Date will be July 31st of that year, (2) on or after July 21st and prior to October 21st, the Valuation Date will be October 31st, (3) on or after October 21st and prior to December 1st, the Valuation Date will be December 15th, and (4) in the month of December, the Valuation Date will be January 15th of the following year. If the distribution is made because of the Participant's Retirement and the distribution is in the form of installments, the Valuation Date will be the July 31st next following the Retirement Date (or if later the vesting date of the PSUs) and each subsequent July 31st thereafter for the remaining installments.

(C) *Specific Deferral Date.* If the distribution is made because the Deferral Period has ended on a Specific Deferral Date, the Valuation Date for the lump sum or initial installment distribution will be the July 31st of the Specific Deferral Date and each subsequent July 31st thereafter for any remaining installments.

(D) *Death.* If the distribution is made as a result of the Participant's death, the Valuation Date will be a date that is as soon as practicable prior to the date the distribution is to be made on account of the death.

ARTICLE III - ELIGIBILITY AND PARTICIPATION

Section 3.1 – Eligibility

Each employee of an RTX Company, who is an Eligible Employee at the time of the deferral election, will be eligible to participate in the Plan in respect of the Performance Cycle to which such deferral election relates in accordance with the terms of the Plan. The decision to allow for a deferral election into the Plan for a particular PSU Performance Cycle shall be made by the Committee, at its sole discretion.

Section 3.2 – Participation

Each Eligible Employee may elect to participate in the Plan with respect to any Performance Cycle for which he or she receives an award of PSUs, and for which the opportunity to defer PSUs is offered, by timely filing an Election Form, properly completed in accordance with Section 4.1. Participation in the Plan is entirely voluntary.

ARTICLE IV - PARTICIPANT ELECTIONS AND DESIGNATIONS

Section 4.1 – Election

An Eligible Employee who has been awarded PSUs for which an opportunity to defer under the Plan is offered, may, on or before the election deadline established by the Committee, file an Election Form to defer the Participant's PSUs, subject to their future vesting.

Section 4.2 – Election Amount

An eligible Participant must designate in the Election Form the percentage of vested PSUs, net of FICA, (rounded down to the nearest whole number of shares) that will be deferred under the Plan for the Performance Cycle. The minimum percentage of vested PSUs (net of FICA) that a Participant may defer under the Plan for any Performance Cycle is ten percent (10%) and the maximum is one hundred percent (100%).

Section 4.3 – Election Date

To defer PSUs under the Plan, an Election Form must be completed and submitted in the required manner to the Committee no later than the election deadline for that Performance Cycle, as determined by the Committee. If the PSUs qualify as "performance-based compensation" for purposes of Section 409A, the election deadline shall be no later than December 31st of the second year of the Performance Cycle; provided that the compensation provided under the PSUs has not become reasonably ascertainable by the election deadline, and provided, further, that the Participant has performed services continuously from the beginning of the Performance Cycle (or, if later, the date when the performance criteria were established if the award is granted after the beginning of the Performance Cycle) until the election deadline. If the PSUs do not qualify as "performance-based compensation" for purposes of Section 409A, the election deadline shall be no later than December 31st immediately preceding the year in which the PSUs are

granted. The Committee may specify an election deadline for any Performance Cycle that is earlier than the latest permissible deadline described in this paragraph or may specify before the election deadline that particular PSUs are not eligible for deferral. Except as provided below in Section 4.6 (Change in Distribution Election) and Section 5.8 (Accelerated Distribution in the Case of an Unforeseeable Emergency), the choices reflected in the Participant's submitted Election Form shall become irrevocable on the election deadline. If an eligible Participant fails to submit a properly completed Election Form by the election deadline, he or she will be ineligible to participate in the Plan for the applicable Performance Cycle.

Section 4.4 – Deferral Period

Each Participant shall specify in the Election Form the Deferral Period for PSUs to be deferred. Failure to specify a deferral period shall result in a deferral for a Specified Deferral Date that is the third (3rd) anniversary of the date on which the Performance Cycle Account is established. A Participant may elect a Deferral Period that ends either on: (1) a Specific Deferral Date that is at least three (3) years but no more than fifteen (15) years following the date on which the Performance Cycle Account is established; or (2) the Participant's Separation from Service Date.

Section 4.5 – Distribution Election

At the time the Participant first elects to defer his or her vested PSUs under Section 4.1, the Participant must further make an election to have the Performance Cycle Account distributed in a lump sum or in two (2) to fifteen (15) annual installments. If no distribution election is made for the Participant's Performance Cycle Account, then such account will be distributed in a lump sum. If a Participant elects to receive the Performance Cycle Account in installments, the amount of each installment shall be determined by dividing the total Performance Cycle Account balance on each Valuation Date by the number of installments remaining, and rounding down to the nearest whole number of shares.

Section 4.6 – Change in Distribution Election

Solely to the extent provided in this Section 4.6, a Participant may make an irrevocable election to extend the Deferral Period and/or change the form of distribution for a Performance Cycle Account. A Participant may change his or her election, as provided in this Section 4.6, for some Performance Cycle Accounts and not for others. For each Performance Cycle Account, the extended Deferral Period shall not be less than five (5) years following the date on which distribution would otherwise have occurred absent the deferral extension election. A deferral extension election and/or change to the form of distribution must meet all of the following requirements:

- (a) The new election must be made at least twelve (12) months prior to the date on which payments will commence under the current election (and the new election shall be ineffective if the Participant incurs a Separation from Service within twelve (12) months after the date of the new election);

(b) The new election shall not take effect until at least twelve (12) months after the date when the new election is submitted in a manner acceptable to the Committee; and

(c) The new payment commencement date must be at least five (5) years later than the date on which payments would commence under the current election.

A maximum of three (3) change elections for each Performance Cycle Account shall be allowed under the Plan.

Section 4.7 – Designation of Beneficiary

Each Participant shall designate a Beneficiary for his or her Plan Account on an electronic or written form provided by the Committee. A Participant may change such designation on an electronic or written form acceptable to the Committee and any change will be effective on the date received by the Committee. Designations received after the date of the Participant's death shall not be effective. If a Beneficiary designation is not filed with the Committee before the Participant's death, or if the Beneficiary (and any contingent Beneficiary) does not survive the Participant, the value of the Participant's Plan Account shall be paid to the Participant's estate. If a Participant designates the Participant's spouse as the Participant's Beneficiary, that designation shall not be revoked or otherwise altered or affected by any: (a) change in the marital status of the Participant; (b) agreement between the Participant and such spouse; or (c) judicial decree (such as a divorce decree) affecting any rights that the Participant and such spouse might have as a result of their marriage, separation, or divorce; it being the intent of the Plan that any change in the designation of a Beneficiary hereunder may be made by the Participant only in accordance with the procedures set forth in this Section 4.7. In the event of the death of a Participant, distributions shall be made in accordance with Section 5.5.

ARTICLE V - VALUATION & DISTRIBUTION OF ACCOUNTS

Section 5.1 – Valuation of Performance Cycle Accounts

Deferred Share Units included in a Participant's Performance Cycle Accounts are valued prior to distribution on the applicable Valuation Date. Except in the case of distributions made after Deferred Share Units have been converted to cash as a result of a Change in Control (as defined in Section 5.7 below), one share of RTX Common Stock will be distributed for each Deferred Share Unit. If the distribution includes a fractional Unit, the number of Units will be rounded down to the next whole number of Units for purposes of calculating the number of shares of Common Stock to be delivered in the distribution, and the value of the fractional Unit will be paid in cash. The Deferred Share Unit shall be valued based on the closing price of RTX Common Stock as reported on the composite tape of the New York Stock Exchange on the Valuation Date, or if the Stock is not traded on that day, on the next trading day.

Section 5.2 – Timing of Plan Distributions

Except as provided in Section 4.6 (Change in Distribution Election), Section 5.3 (Separation from Service before Attaining Age 50), Section 5.4 (Separation from Service of Specified Employees), and

Section 5.5 (Distribution in the Event of Death), the value of a Participant's Performance Cycle Account will be distributed (or begin to be distributed), in accordance with the distribution election on file, to the Participant within thirty (30) calendar days following the Valuation Date associated with (a) the Participant's Separation from Service (if the Participant's Deferral Period ends on the Separation from Service Date) or (b) the Specific Deferral Date (if the Participant's Deferral Period ends on a Specific Deferral Date).

Section 5.3 – Separation from Service before Attaining Age 50

(a) For PSUs deferrals made prior to June 1, 2022, if a Participant's Separation from Service occurs before the Participant attains age fifty (50), the full value of the Participant's Performance Cycle Accounts established by such elections will be distributed in a lump sum, within thirty (30) calendar days following the applicable Valuation Date (subject to Section 5.4 below), regardless of the distribution election on file.

(b) This Section 5.3 shall not apply to PSU deferrals made on or after June 1, 2022. Performance Cycle Accounts established by such elections will be distributed as provided in Section 5.2, without regard to this Section 5.3.

Section 5.4 – Separation from Service of Specified Employees

If the Participant is a Specified Employee on the date of the Participant's Separation from Service, any distribution of the Participant's Plan Account that is made on account of the Participant's Separation from Service will not be made or commence earlier than the first day of the seventh month following the date of Separation from Service. The Plan Account shall be valued as if the Valuation Date were the last business day of the month preceding the distribution date. In the case of a distribution in installments, the date of any subsequent installments shall not be affected by the delay of any installment hereunder.

Section 5.5 – Distribution in the Event of Death

In the event of the death of a Participant before the Participant's Plan Account has been fully distributed, the full remaining value of the Participant's Plan Account will be distributed to the designated Beneficiary or the Participant's estate in a lump sum on the first business day of the third month following the Participant's death.

Section 5.6 – Disability

In the event of the Disability of a Participant, the Participant's Performance Cycle Accounts that are designated to be deferred to a Specific Deferral Date will be maintained and distributed in accordance with the Participant's elections on file.

Section 5.7 – Distribution upon a Change in Control

In the event of a Change in Control of the Corporation, the Participant's entire Plan Account will

be converted to cash and distributed in a lump sum within ten (10) business days following the Change in Control event. The cash amount per Deferred Share Unit will equal the closing price of RTX Common Stock on the New York Stock Exchange on the date the Change in Control occurs or, if the Stock is not traded on that day, on the trading day immediately preceding the Change in Control. For purposes of the Plan, a “Change in Control” means (i) the acquisition by one person, or more than one person acting as a group, of stock possessing 30 percent or more of the total voting power of the Common stock of the Corporation during the twelve (12)-month period ending on the date of the most recent acquisition; (ii) the replacement of a majority of the members of the Corporation’s board of directors during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Corporation’s board of directors as constituted immediately prior to the date of such appointment or election; (iii) the acquisition by one person, or more than one person acting as a group, of more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Corporation; and (iv) a change in the ownership of a substantial portion of the Corporation’s assets such that one person, or more than one person acting as a group, acquires assets of the Corporation with a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Corporation determined immediately prior to such acquisition. The intention of the Plan is that Change in Control shall be a permissible payment event under Section 409A and, for the avoidance of doubt, only an event that constitutes a change in control event in accordance with Treas. Regs. § 1.409A-3(j)(4)(ix)(B) will be deemed to be a Change in Control for purposes of this Section 5.7.

Section 5.8 – Accelerated Distribution in the Case of an Unforeseeable Emergency

(a) The Committee may, upon a Participant’s written application, agree to an accelerated distribution of some or all of the value of a Participant’s Plan Account upon the occurrence of an unforeseeable emergency. An “unforeseeable emergency” is a severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant, the Participant’s spouse, the Participant’s Beneficiary, or the Participant’s dependent (as defined in IRC Section 152, without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)); (ii) loss of the Participant’s property due to casualty; or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Whether a Participant is faced with an unforeseeable emergency permitting a distribution to be made under the Plan is to be determined based on the relevant facts and circumstances of each case. Acceleration will not be granted if the Committee determines that (a) the facts and circumstances do not meet the Plan’s requirements for an unforeseeable emergency or (b) the emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant’s assets (to the extent the liquidation of such assets would not cause severe financial hardship), or by cessation of deferrals under the Plan.

(b) Distributions on account of an unforeseeable emergency, as defined in Section 5.8(a), shall be limited to the amount reasonably necessary to satisfy the emergency need, as supported by documentation submitted to the Committee. Such amount may include amounts necessary to pay any federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution.

(c) The Committee will determine from which Performance Cycle Accounts hardship distributions will be made. Any Participant who is an officer or director of the Corporation within the meaning of Section 16 of the Securities Exchange Act of 1934 is not eligible for distributions on account of unforeseeable emergency.

Section 5.9 – Administrative Adjustments in Payment Date

A distribution is treated as being made on the date when it is due under the Plan if the distribution is made on the due date specified by the Plan, or on a later date that is either (a) in the same calendar year (for a distribution whose specified due date is on or before September 30), or (b) by the fifteenth (15th) day of the third (3rd) calendar month following the date specified by the Plan (for a distribution whose specified due date is on or after October 1). A distribution also is treated as being made on the date when it is due under the Plan if the distribution is made not more than thirty (30) days before the due date specified by the Plan. In no event will a distribution to a Specified Employee on account of his or her Separation from Service be made or commence earlier than the first day of the seventh (7th) month following the date of Separation from Service. A Participant may not, directly or indirectly, designate the taxable year of a payment made in reliance on the administrative rules in this Section 5.9.

Section 5.10 – Minimum Balance Payout Provision

If a Participant's Plan Account balance under this Plan (and under all other nonqualified deferred compensation plans of the Corporation that are required to be aggregated with this Plan under Section 409A), determined at the time of the Participant's Separation From Service, is less than the amount set as the limit on elective deferrals under Section 402(g)(1)(B) of the Code in effect for the year in which the Participant's Separation from Service occurs, the Committee retains discretion to distribute the Participant's entire Plan Account (and the Participant's entire interest in any other nonqualified deferred compensation plan that is required to be aggregated with this Plan) in a lump sum at the next scheduled Plan distribution date following the Participant's Separation from Service, even if the Participant has elected to receive a different form of distribution. Any exercise of the Committee's discretion taken pursuant to this Section 5.10 shall be evidenced in writing, no later than the payment date.

ARTICLE VI - AMENDMENT AND TERMINATION OF PLAN

Section 6.1 – Amendment

The Committee may, at any time, amend the Plan in whole or in part, provided that no amendment may directly decrease the value of any Plan Accounts as of the date of such amendment. In the event of any change in law or regulation relating to the Plan or the tax treatment of Plan Accounts, the Plan shall, without further action by the Committee, be deemed to be amended to comply with any such change in law or regulation effective as of the first date necessary to prevent the taxation, constructive receipt or deemed distribution of Plan Accounts prior to the date Plan Accounts would be distributed under the provisions of Article V. To the extent that any rule or procedure adopted by the Committee is inconsistent with a provision of the Plan that is administrative, technical or ministerial in nature, the Plan shall be deemed amended to the extent of the inconsistency.

Section 6.2 – Plan Suspension and Termination

(a) The Committee may, at any time, suspend or terminate the Plan with respect to new or existing Election Forms if, in its sole judgment, the continuance of the Plan, the tax, accounting, or other effects thereof, or potential payments thereunder would not be in the best interest of the Corporation or for any other reason.

(b) In the event of the suspension of the Plan, no additional deferrals shall be made under the Plan, but all previous deferrals shall accumulate and be distributed in accordance with the otherwise applicable provisions of the Plan and the applicable elections on file.

(c) Upon the termination of the Plan with respect to all Participants, and the termination of all arrangements sponsored by the Corporation and its affiliates that would be aggregated with the Plan under Section 409A, the Corporation shall have the right, in its sole discretion, and notwithstanding any elections made by the Participant, to pay the Participant's Plan Account in a lump sum, to the extent permitted under Section 409A. All payments that may be made pursuant to this Section 6.2 shall be made no earlier than the thirteenth month and no later than the twenty-fourth month after the termination of the Plan. The Corporation may not accelerate payments pursuant to this Section 6.2 if the termination of the Plan is proximate to a downturn in the Corporation's financial health within the meaning of Treas. Reg. section 1.409A-3(j)(4)(ix)(C)(1). If the Corporation exercises its discretion to accelerate payments under this Section 6.2, it shall not adopt any new arrangement that would have been aggregated with the Plan under Section 409A within three years following the date of the Plan's termination. The Committee may also provide for distribution of Plan Accounts following a termination of the Plan under any other circumstances permitted by Section 409A, including without limitation in connection with the occurrence of a change in control event in accordance with Treas. Regs. § 1.409A-3(j)(4)(ix)(B).

Section 6.3 – No Consent Required

The consent of any Participant, Beneficiary, or other person shall not be required with respect to any amendment, suspension, or termination of the Plan.

ARTICLE VII - MISCELLANEOUS PROVISIONS

Section 7.1 – Reinvestment of Dividend Equivalents

Deferred Share Units shall be credited with dividend equivalents at the same time and in the same amount that cash dividends would be paid with respect to an equal number of shares of RTX Common Stock during the period between the date that the applicable Performance Cycle Account is established and the applicable Valuation Date for such Performance Cycle Account. At the time the election under Section 4.1 is made, the Participant agrees to have dividend equivalents deferred and invested in additional Deferred Share Units based upon the number of whole and fractional Units that the dollar dividend amount would purchase, using the closing price of RTX Common Stock on the New York Stock

Exchange on each dividend payment date. Dividend equivalents that are deferred and invested pursuant to this Section 7.1 shall be credited to the same Performance Cycle Account as the Deferred Share Units for which the dividend equivalents are paid and shall be distributed at the time and in the form applicable to that Performance Cycle Account.

Section 7.2 – Withholding Taxes

The Committee may make any appropriate arrangements to deduct from all deferrals and payments under the Plan any taxes that the Committee reasonably determines to be required by law to be withheld from such credits and payments.

Section 7.3 – Adjustment of Deferred Share Units

Deferred Share Units may be adjusted by the Committee in the event of any stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, spin-off, or other corporate change or corporate event, in each case, to the same extent that the PSUs to which such Deferred Share Units relate could have been adjusted under the applicable long-term incentive plan of the Corporation under which such PSUs were granted.

Section 7.4 – Section 409A Compliance

To the extent that rights or payments under this Plan are subject to Section 409A, the Plan shall be construed and administered in compliance with the conditions of Section 409A and regulations and other guidance issued pursuant to Section 409A for deferral of income taxation until the time the compensation is paid. Any distribution election that would not comply with Section 409A shall not be effective for purposes of this Plan. To the extent that a provision of this Plan does not comply with Section 409A, such provision shall be void and without effect. The Corporation does not warrant that the Plan will comply with Section 409A with respect to any Participant or Beneficiary or with respect to any payment. In no event shall any RTX Company; any director, officer, or employee of a RTX Company (other than the Participant); or any member of the Committee be liable for any additional tax, interest, or penalty incurred by a Participant or Beneficiary as a result of the Plan's failure to satisfy the requirements of Section 409A, or as a result of the Plan's failure to satisfy any other requirements of applicable tax laws.

ARTICLE VIII - GENERAL PROVISIONS

Section 8.1 – Unsecured General Creditor

The Corporation's obligations under the Plan constitute an unfunded and unsecured promise to distribute shares in the future. Participants' and Beneficiaries' rights under the Plan are solely those of a general unsecured creditor of the Corporation. No assets will be required to be placed in trust, set aside or otherwise segregated to fund or offset liabilities in respect of the Plan or Participants' Plan Accounts.

Section 8.2 – Nonassignability

(a) Except as provided in subsection (b) or (c) below, no Participant or Beneficiary or any other person shall have the right to sell, assign, transfer, pledge, or otherwise encumber any interest in the Plan and all Plan Accounts and the rights to all payments are unassignable and non-transferable. Plan

Accounts or payments hereunder, prior to actual payment, shall not be subject to attachment or seizure for the payment of any debts, judgments or other obligations. Plan Accounts or any other Plan benefit shall not be transferred by operation of law in the event of a Participant's or any Beneficiary's bankruptcy or insolvency.

(b) The Plan shall comply with the terms of any valid domestic relations order submitted to the Committee. Any payment of a Participant's Plan Account to a party other than the Participant pursuant to the terms of a domestic relations order shall be charged against and reduce the Participant's Plan Account. Neither the Plan, the Corporation, the Committee, nor any other party shall be liable in any manner to any person, including but not limited to any Participant or Beneficiary, for complying with the terms of a domestic relations order.

(c) To the extent that any Participant, Beneficiary or other person receives an excess or erroneous payment under the Plan, the amount of such excess or erroneous payment shall be held in a constructive trust for the benefit of the Corporation and the Plan, and shall be repaid by such person upon demand. The Committee may reduce any other benefit payable to such person or may pursue any remedy available at law or equity to recover the amount of such excess or erroneous payment or the proceeds thereof. Notwithstanding the foregoing, the amount payable to a Participant or Beneficiary may be offset by any amount owed to any RTX Company to the extent permitted by Section 409A.

Section 8.3 – No Contract of Employment

Participation in the Plan shall not be construed to constitute a direct or indirect contract of employment between any RTX Company and any Participant. Participants and Beneficiaries will have no rights against any RTX Company resulting from participation in the Plan other than as specifically provided herein. Nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of any RTX Company for any length of time or to interfere with the right of any RTX Company to terminate a Participant's employment.

Section 8.4 – Governing Law

The provisions of the Plan will be construed and interpreted according to the laws of the State of Delaware, to the extent not preempted by federal law.

Section 8.5 – Validity

If any provision of the Plan is held to be illegal or invalid for any reason, the remaining provisions of the Plan will be construed and enforced as if such illegal and invalid provision had never been inserted herein.

Section 8.6 – Notice

Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if drafted to the attention of the Deferred Compensation Committee, and sent by first-class mail

to RTX Corporation, c/o Vice President, Executive Compensation, 4 Farm Springs Road, Farmington, Connecticut 06032. Any notice or filing required or permitted to be given to any Participant or Beneficiary under the Plan shall be sufficient if provided either electronically, hand-delivered, or mailed to the address (or email address, as the case may be) of the Participant or Beneficiary then listed on the records of the Corporation. Any such notice will be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or email system.

Section 8.7 – Successors

The provisions of the Plan shall bind and inure to the benefit of the Corporation and its successors and assigns. The term “successors” as used herein shall include any corporate or other business entity, which by merger, consolidation, purchase or otherwise acquires all or substantially all of the business and assets of the Corporation, and successors of any such corporation or other business entity.

Section 8.8 – Incompetence

If the Committee determines, upon evidence satisfactory to the Committee, that any Participant or Beneficiary to whom a benefit is payable under the Plan is unable to care for his or her affairs because of illness or accident, any payment due (unless prior claim therefore shall have been made by a duly authorized guardian or other legal representative) may be paid, upon appropriate indemnification of the Committee and the Corporation, to the spouse of the Participant or other person deemed by the Committee to have incurred expenses for the benefit of and on behalf of such Participant or Beneficiary. Any such payment from a Participant’s Plan Account shall be a complete discharge of any liability under the Plan with respect to the amount so paid.

ARTICLE IX - ADMINISTRATION AND CLAIMS

Section 9.1 – Plan Administration

The Committee shall be solely responsible for the administration and operation of the Plan and shall be the “administrator” of the Plan for purposes of ERISA. The Committee shall have full and exclusive authority and discretion to interpret the provisions of the Plan and to establish such administrative procedures as it deems necessary and appropriate to carry out the purposes of the Plan. All decisions and interpretations of the Committee shall be final and binding on all parties.

Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the attention of the Deferred Compensation Committee via email to: the RTX Total Rewards mailbox at RTXTotalRewards@rtx.com (preferred) or via postal mail to RTX Corporation, c/o Vice President, Executive Compensation, 4 Farm Springs Road, Farmington, CT 06032, Attn: Deferred Compensation Committee, MS 4FS-2. The Committee shall respond in writing as soon as practicable.

Section 9.2 – Claim Procedures

A Participant or Beneficiary who believes that he or she has been denied a benefit to which he or she is entitled under the Plan (referred to in this Section 9.2 as a “Claimant”) may file a written request

with the Committee setting forth the claim. The Committee shall consider and resolve the claim as set forth below.

(a) Upon receipt of a claim, the Committee shall advise the Claimant that a response will be forthcoming within ninety (90) days. The Committee may, however, extend the response period for up to an additional ninety (90) days for reasonable cause, and shall notify the Claimant of the reason for the extension and the expected response date. The Committee shall respond to the claim within the specified period.

(b) If the claim is denied in whole or in part, the Committee shall provide the Claimant with a written decision, using language calculated to be understood by the Claimant, setting forth (1) the specific reason or reasons for such denial; (2) the specific reference to relevant provisions of this Plan on which such denial is based; (3) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation why such material or such information is necessary; (4) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review; (5) the time limits for requesting a review of the claim; and (6) the Claimant's right to bring an action for benefits under Section 502(a) of ERISA.

(c) Within sixty (60) days after the Claimant's receipt of the written decision denying the claim in whole or in part, the Claimant may request in writing that the Committee review the determination. The Claimant or his or her duly authorized representative may, but need not, review the relevant documents and submit issues and comments in writing for consideration by the Committee. If the Claimant does not request a review of the initial determination within such sixty (60)-day period, the Claimant shall be barred from challenging the determination.

(d) Within sixty (60) days after the Committee receives a request for review, it will review the initial determination. If special circumstances require that the sixty (60)-day time period be extended, the Committee will so notify the Claimant and will render the decision as soon as possible, but no later than one hundred twenty (120) days after receipt of the request for review.

(e) All decisions on review shall be final and binding with respect to all concerned parties. The decision on review shall set forth, in a manner calculated to be understood by the Claimant, (1) the specific reasons for the decision, including references to the relevant Plan provisions upon which the decision is based; (2) the Claimant's right to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information, relevant to his or her benefits; and (3) the Claimant's right to bring an action for benefits under Section 502(a) of ERISA.

(f) No legal action or arbitration may be commenced by a Participant later than one hundred eighty (180) days subsequent to the date of the written response of the Committee to such Participant's request for review pursuant to Section 9.2(e).

CERTAIN REGULATORY MATTERS

The Plan is subject to ERISA. Because the Plan is an unfunded plan maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, the Plan is exempt from most of ERISA's requirements. Although the Plan is subject to Part 1 (Reporting and Disclosure) and Part 5 (Administration and Enforcement) of Title I, Subtitle B of ERISA, the Department of Labor has issued a regulation that exempts the Plan from most of ERISA's reporting and disclosure requirements.

TO WHOM SHOULD QUESTIONS CONCERNING THE PLAN BE DIRECTED?

All questions concerning the operation of the Plan (including information concerning the administrators of the Plan) should be directed to the RTX Total Rewards mailbox to the attention of the Deferred Compensation Committee at RTXTotalRewards@rtx.com (preferred) or via postal mail to:

RTX Corporation
4 Farm Springs Road
Farmington, CT 06032
Attn: Vice President, Executive Compensation

RTX CORPORATION

By: /s/ Jeffrey W. Kridler
Jeffrey W. Kridler
Corporate Vice President, Total Rewards

Attest: /s/ Christine L. Hill
Christine L. Hill
VP & AGC, Executive & Global Compensation & Benefits

October 24, 2023

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

Commissioners:

We are aware that our report dated October 24, 2023 on our review of interim financial information of RTX Corporation, which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (No. 333-267564) and S-8 (Nos. 333-273420, 333-273414, 333-234085, 333-228649, 333-225839, 333-197704, 333-175781, 333-150643, 333-125293, 333-110020, and 333-100724) of RTX Corporation.

Very truly yours,

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts

CERTIFICATION

I, Gregory J. Hayes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RTX 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: October 24, 2023

/s/ GREGORY J. HAYES

Gregory J. Hayes
Chief Executive Officer

CERTIFICATION

I, Neil G. Mitchill, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of RTX 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: October 24, 2023

/s/ NEIL G. MITCHILL, JR.

Neil G. Mitchill, Jr.

Executive Vice President and Chief Financial Officer

CERTIFICATION

I, Amy L. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RTX 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: October 24, 2023

/s/ AMY L. JOHNSON

Amy L. Johnson

Corporate Vice President and Controller

Section 1350 Certifications
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 RTX Corporation, a Delaware corporation (the "Corporation"), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (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: October 24, 2023

/s/ GREGORY J. HAYES

Gregory J. Hayes
Chief Executive Officer

Date: October 24, 2023

/s/ NEIL G. MITCHILL, JR.

Neil G. Mitchill, Jr.
Executive Vice President and Chief Financial Officer

Date: October 24, 2023

/s/ AMY L. JOHNSON

Amy L. Johnson
Corporate Vice President and Controller