

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

FORM 10-Q

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

For the quarterly period ended March 31, 2022

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

RAYTHEON TECHNOLOGIES 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.)

870 Winter Street, Waltham, Massachusetts
(Address of principal executive offices)

02451
(Zip Code)

(781) 522-3000

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

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"/>

company” in Rule 12b-2 of the Exchange Act.

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

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

At March 31, 2022 there were 1,487,215,106 shares of Common Stock outstanding.

**RAYTHEON TECHNOLOGIES CORPORATION
AND SUBSIDIARIES**
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Quarter Ended March 31, 2022

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Raytheon Technologies Corporation and its subsidiaries’ names, abbreviations thereof, logos, and products and services designators are all either the registered or unregistered trademarks or tradenames of Raytheon Technologies 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**

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

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended March 31,	
	2022	2021
Net Sales:		
Products sales	\$ 11,862	\$ 11,664
Services sales	3,854	3,587
Total Net Sales	15,716	15,251
Costs and Expenses:		
Cost of sales - products	9,820	9,974
Cost of sales - services	2,740	2,563
Research and development	635	589
Selling, general and administrative	1,469	1,220
Total Costs and Expenses	14,664	14,346
Other income, net	28	108
Operating profit	1,080	1,013
Non-operating expense (income), net		
Non-service pension income	(480)	(491)
Interest expense, net	318	346
Total non-operating expense (income), net	(162)	(145)
Income from continuing operations before income taxes	1,242	1,158
Income tax expense	116	345
Net income from continuing operations	1,126	813
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	23	41
Income from continuing operations attributable to common shareowners	1,103	772
Loss from discontinued operations attributable to common shareowners	(19)	(19)
Net income attributable to common shareowners	\$ 1,084	\$ 753
Earnings (loss) Per Share attributable to common shareowners - Basic:		
Income from continuing operations	\$ 0.74	\$ 0.51
Loss from discontinued operations	(0.01)	(0.01)
Net income attributable to common shareowners	\$ 0.73	\$ 0.50
Earnings (loss) Per Share attributable to common shareowners - Diluted:		
Income from continuing operations	\$ 0.74	\$ 0.51
Loss from discontinued operations	(0.02)	(0.01)
Net income attributable to common shareowners	\$ 0.72	\$ 0.50

See accompanying Notes to Condensed Consolidated Financial Statements

**RAYTHEON TECHNOLOGIES CORPORATION
AND SUBSIDIARIES**
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Net income from continuing and discontinued operations	\$ 1,107	\$ 794
Other comprehensive income (loss), before tax:		
Foreign currency translation adjustments	(240)	(176)
Pension and postretirement benefit plans adjustments	21	54
Change in unrealized cash flow hedging	37	(60)
Other comprehensive income (loss), before tax	(182)	(182)
Income tax expense related to items of other comprehensive income (loss)	(18)	(5)
Other comprehensive loss, net of tax	(200)	(187)
Comprehensive income	907	607
Less: Comprehensive income attributable to noncontrolling interest	23	41
Comprehensive income attributable to common shareowners	\$ 884	\$ 566

See accompanying Notes to Condensed Consolidated Financial Statements

**RAYTHEON TECHNOLOGIES CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)**

<i>(dollars in millions)</i>	March 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,040	\$ 7,832
Accounts receivable, net	9,076	9,661
Contract assets	11,566	11,361
Inventory, net	9,749	9,178
Other assets, current	4,309	4,018
Total Current Assets	40,740	42,050
Customer financing assets	2,766	2,848
Fixed assets	27,815	27,637
Accumulated depreciation	(12,978)	(12,665)
Fixed assets, net	14,837	14,972
Operating lease right-of-use assets	1,911	1,958
Goodwill	54,316	54,436
Intangible assets, net	38,118	38,516
Other assets	6,678	6,624
Total Assets	\$ 159,366	\$ 161,404
Liabilities, Redeemable Noncontrolling Interest and Equity		
Current Liabilities		
Short-term borrowings	\$ 140	\$ 134
Accounts payable	8,270	8,751
Accrued employee compensation	1,880	2,658
Other accrued liabilities	11,004	10,162
Contract liabilities	13,739	13,720
Long-term debt currently due	24	24
Total Current Liabilities	35,057	35,449
Long-term debt	31,308	31,327
Operating lease liabilities, non-current	1,627	1,657
Future pension and postretirement benefit obligations	7,709	7,855
Other long-term liabilities	9,643	10,417
Total Liabilities	85,344	86,705
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interest	36	35
Shareowners' Equity:		
Common Stock	37,504	37,483
Treasury Stock	(13,483)	(12,727)
Retained earnings	50,592	50,265
Unearned ESOP shares	(36)	(38)
Accumulated other comprehensive loss	(2,115)	(1,915)
Total Shareowners' Equity	72,462	73,068
Noncontrolling interest	1,524	1,596
Total Equity	73,986	74,664
Total Liabilities, Redeemable Noncontrolling Interest and Equity	\$ 159,366	\$ 161,404

See accompanying Notes to Condensed Consolidated Financial Statements

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

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Operating Activities:		
Net income from continuing operations	\$ 1,126	\$ 813
Adjustments to reconcile net income from continuing operations to net cash flows provided by operating activities:		
Depreciation and amortization	1,014	1,123
Deferred income tax (benefit) provision	(601)	153
Stock compensation cost	103	84
Net periodic pension and other postretirement income	(360)	(358)
Change in:		
Accounts receivable	556	(799)
Contract assets	(219)	(311)
Inventory	(587)	(113)
Other current assets	(281)	(193)
Accounts payable and accrued liabilities	(316)	538
Contract liabilities	(50)	(56)
Other operating activities, net	91	(158)
Net cash flows provided by operating activities from continuing operations	476	723
Investing Activities:		
Capital expenditures	(439)	(387)
Investments in businesses	—	(6)
Dispositions of businesses, net of cash transferred (Note 2)	35	1,049
Customer financing assets payments, net	(19)	(81)
Increase in collaboration intangible assets	(50)	(32)
(Payments) receipts from settlements of derivative contracts, net	(33)	49
Other investing activities, net	(12)	(10)
Net cash flows (used in) provided by investing activities from continuing operations	(518)	582
Financing Activities:		
Repayment of long-term debt	—	(286)
Change in short-term borrowings, net	6	(13)
Dividends paid on Common Stock	(745)	(705)
Repurchase of Common Stock	(743)	(375)
Net transfers to discontinued operations	—	(5)
Other financing activities, net	(263)	(160)
Net cash flows used in financing activities from continuing operations	(1,745)	(1,544)
Discontinued Operations:		
Net cash used in operating activities	—	(5)
Net cash used in investing activities	—	—
Net cash provided by financing activities	—	5
Net cash used in discontinued operations	—	—
Effect of foreign exchange rate changes on cash and cash equivalents	15	23
Net decrease in cash, cash equivalents and restricted cash	(1,772)	(216)
Cash, cash equivalents and restricted cash, beginning of period	7,853	8,832
Cash, cash equivalents and restricted cash, end of period	6,081	8,616
Less: Restricted cash, included in Other assets	41	37
Cash and cash equivalents, end of period	\$ 6,040	\$ 8,579

See accompanying Notes to Condensed Consolidated Financial Statements

**RAYTHEON TECHNOLOGIES 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 March 31,	
	2022	2021
Equity beginning balance	\$ 74,664	\$ 73,852
Common Stock		
Beginning balance	37,483	36,930
Common Stock plans activity	34	67
Purchase of subsidiary shares from noncontrolling interest, net	(13)	—
Ending balance	37,504	36,997
Treasury Stock		
Beginning balance	(12,727)	(10,407)
Common Stock repurchased	(756)	(375)
Other	—	2
Ending balance	(13,483)	(10,780)
Retained Earnings		
Beginning balance	50,265	49,423
Net income	1,084	753
Dividends on Common Stock	(745)	(705)
Dividends on ESOP Common Stock	(13)	(11)
Other	1	—
Ending balance	50,592	49,460
Unearned ESOP Shares		
Beginning balance	(38)	(49)
Common Stock plans activity	2	3
Ending balance	(36)	(46)
Accumulated Other Comprehensive Loss		
Beginning balance	(1,915)	(3,734)
Other comprehensive loss, net of tax	(200)	(187)
Ending balance	(2,115)	(3,921)
Noncontrolling Interest		
Beginning balance	1,596	1,689
Net Income	23	41
Less: Redeemable noncontrolling interest net income	(1)	(2)
Dividends attributable to noncontrolling interest	(64)	(130)
Purchase of subsidiary shares from noncontrolling interest, net	(19)	—
Disposition of noncontrolling interest, net	(11)	—
Ending balance	1,524	1,598
Equity at March 31	\$ 73,986	\$ 73,308
Supplemental share information		
Shares of Common Stock issued under employee plans, net	1,817	1,043
Shares of Common Stock repurchased	7,883	5,197
Dividends declared per share of Common Stock	0.510	0.475

See accompanying Notes to Condensed Consolidated Financial Statements

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

Note 1: Basis of Presentation

The Condensed Consolidated Financial Statements at March 31, 2022 and for the quarters ended March 31, 2022 and 2021 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 2021 Annual Report on Form 10-K.

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

Russia Sanctions. In response to the Russian military’s invasion of Ukraine on February 24, 2022, the U.S. government has imposed broad economic sanctions and export controls targeting key industries, entities and individuals in Russia. These U.S. government measures, among other items, restrict transactions involving various Russian banks and financial institutions and impose enhanced export controls limiting transfers of various goods, software and technologies to Russia, including broadened export controls specifically targeting Russia’s aerospace sector. Governments of various other jurisdictions in which we operate, including Canada, the United Kingdom, the European Union and others, have implemented similar measures. These sanctions and export controls, as well as responses from Russia, 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 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 Aerospace Systems (Collins) and Pratt & Whitney businesses primarily related to increased estimates for credit losses on both our accounts receivables 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. Additionally, we reversed approximately \$1.3 billion of remaining performance obligation (RPO) in the quarter ended March 31, 2022 related to our sales contracts in Russia at Pratt & Whitney and Collins. We will continue to monitor the changes in sanctions and other developments, which may result in financial impacts in future periods. Based on information available to date, we currently do not expect these incremental impacts to have a material effect on the Company’s financial condition, results of operations or liquidity.

COVID-19 Pandemic. The coronavirus disease 2019 (COVID-19) pandemic continues to negatively affect the global economy, our business and operations, supply chains, and the industries in which we operate. However, we continue to see indications that commercial air travel is recovering in certain areas of demand. While we believe that the long-term outlook for the aerospace industry remains positive due to the fundamental drivers of air travel demand, there continues to be uncertainty with respect to when commercial air traffic capacity will fully return to and/or exceed pre-COVID-19 levels. Our expectations regarding 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

In the quarters ended March 31, 2022 and 2021, cash inflows related to dispositions were \$35 million and \$1.0 billion, respectively.

Our dispositions of businesses in the quarter ended March 31, 2022, primarily consisted of immaterial dispositions in our aerospace businesses.

Dispositions of businesses in the quarter ended March 31, 2021 reflect the January 8, 2021 sale of our Forcepoint business, for proceeds of \$1.1 billion, net of cash transferred. We did not recognize a pre-tax gain or loss within the Condensed Consolidated Statement of Operations related to the sale of Forcepoint.

Goodwill. Changes in our goodwill balances for the quarter ended March 31, 2022 were as follows:

<i>(dollars in millions)</i>	Balance as of January 1, 2022	Acquisitions and Divestitures	Foreign Currency Translation and Other	Balance as of March 31, 2022
Collins Aerospace Systems	\$ 31,384	\$ (1)	\$ (139)	\$ 31,244
Pratt & Whitney	1,563	—	—	1,563
Raytheon Intelligence & Space	9,813	21	—	9,834
Raytheon Missiles & Defense	11,659	—	(1)	11,658
Total Segments	54,419	20	(140)	54,299
Eliminations and other	17	—	—	17
Total	\$ 54,436	\$ 20	\$ (140)	\$ 54,316

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

<i>(dollars in millions)</i>	March 31, 2022		December 31, 2021	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Amortized:				
Collaboration assets	\$ 5,373	\$ (1,227)	\$ 5,319	\$ (1,173)
Exclusivity assets	2,737	(328)	2,673	(318)
Developed technology and other	1,208	(487)	1,214	(466)
Customer relationships	29,957	(7,805)	29,982	(7,411)
	39,275	(9,847)	39,188	(9,368)
Unamortized:				
Trademarks and other	8,690	—	8,696	—
Total	\$ 47,965	\$ (9,847)	\$ 47,884	\$ (9,368)

Amortization of intangible assets for the quarters ended March 31, 2022 and 2021 was \$487 million and \$596 million, respectively. The following is the expected amortization of intangible assets for the remainder of 2022 through 2027.

<i>(dollars in millions)</i>	Remaining 2022	2023	2024	2025	2026	2027
Amortization expense	\$ 1,491	\$ 2,094	\$ 2,216	\$ 2,098	\$ 2,009	\$ 1,856

Note 3: Earnings Per Share

<i>(dollars and shares in millions, except per share amounts)</i>	Quarter Ended March 31,	
	2022	2021
Net income attributable to common shareowners:		
Income from continuing operations	\$ 1,103	\$ 772
Loss from discontinued operations	(19)	(19)
Net income attributable to common shareowners	\$ 1,084	\$ 753
Basic weighted average number of shares outstanding	1,486.8	1,511.1
Stock awards and equity units (share equivalent)	11.1	3.0
Diluted weighted average number of shares outstanding	1,497.9	1,514.1
Earnings (Loss) Per Share attributable to common shareowners - Basic:		
Income from continuing operations	\$ 0.74	\$ 0.51
Loss from discontinued operations	(0.01)	(0.01)
Net income attributable to common shareowners	\$ 0.73	\$ 0.50
Earnings (Loss) Per Share attributable to common shareowners - Diluted:		
Income from continuing operations	\$ 0.74	\$ 0.51
Loss from discontinued operations	(0.02)	(0.01)
Net income attributable to common shareowners	\$ 0.72	\$ 0.50

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 exercise of stock awards when the awards' assumed proceeds exceed the average market price of the common shares during the period. For the quarters ended March 31, 2022 and 2021, the number of stock awards excluded from the computation was 7.5 million and 26.7 million, respectively.

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, 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. 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 primarily within our Raytheon Intelligence & Space (RIS) and Raytheon Missiles & Defense (RMD) segments. 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 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 March 31,	
	2022	2021
Total Net Sales	\$ 97	\$ 52
Operating profit	36	12
Income from continuing operations attributable to common shareowners ⁽¹⁾	28	9
Diluted earnings per share from continuing operations attributable to common shareholders ⁽¹⁾	\$ 0.02	\$ 0.01

(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>	March 31, 2022	December 31, 2021
Accounts receivable	\$ 9,589	\$ 10,136
Allowance for expected credit losses	(513)	(475)
Total accounts receivable, net	\$ 9,076	\$ 9,661

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>	March 31, 2022	December 31, 2021
Contract assets	\$ 11,566	\$ 11,361
Contract liabilities	(13,739)	(13,720)
Net contract liabilities	\$ (2,173)	\$ (2,359)

Contract assets increased \$205 million during the quarter ended March 31, 2022 primarily due to sales in excess of billings at RIS and RMD. Contract liabilities were relatively consistent during the quarter ended March 31, 2022 compared to December 31, 2021. We recognized revenue of \$1.8 billion during the quarter ended March 31, 2022, related to contract liabilities as of January 1, 2022 and \$1.7 billion during the quarter ended March 31, 2021, related to contract liabilities as of January 1, 2021.

As of March 31, 2022, our Contract liabilities include approximately \$420 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. In addition, as of March 31, 2022, our Contract liabilities include advance payments, in immaterial amounts, received from Russian customers on contracts we are currently unable to perform on due to global sanctions on Russia and export controls. Depending on the contractual terms and as allowed by sanctions, certain of these advance payments may become refundable.

Contract assets include an allowance for credit losses of \$330 million and \$251 million as of March 31, 2022 and December 31, 2021, respectively.

Note 7: Inventory, net

<i>(dollars in millions)</i>	March 31, 2022	December 31, 2021
Raw materials	\$ 3,079	\$ 3,024
Work-in-process	3,471	3,085
Finished goods	3,199	3,069
Total inventory, net	\$ 9,749	\$ 9,178

Note 8: Borrowings and Lines of Credit

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 90 days from the date of issuance. As of March 31, 2022, 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 no commercial paper outstanding at March 31, 2022 or December 31, 2021.

As of March 31, 2022, we had revolving credit agreements with various banks permitting aggregate borrowings of up to \$7.0 billion, consisting of a \$5.0 billion revolving credit agreement, which expires in April 2025, and a \$2.0 billion revolving credit agreement, which expires in May 2022. As of March 31, 2022, there were no borrowings outstanding under these agreements.

There were no repayments of long-term debt during the quarter ended March 31, 2022. We made the following repayments of long-term debt during the quarter ended March 31, 2021:

Repayment Date	Description of Notes	Aggregate Principal Balance (in millions)	
March 1, 2021	8.750% notes due 2021	\$	250

Long-term debt consisted of the following:

<i>(dollars in millions)</i>	March 31, 2022	December 31, 2021
3.650% notes due 2023 ⁽¹⁾	\$ 171	\$ 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
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⁾	550	565
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
5.400% 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
Other (including finance leases)	268	270
Total principal long-term debt	31,283	31,300
Other (fair value adjustments, (discounts)/premiums, and debt issuance costs)	49	51
Total long-term debt	31,332	31,351
Less: current portion	24	24
Long-term debt, net of current portion	\$ 31,308	\$ 31,327

(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 March 31, 2022 is approximately 15 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 March 31,	
	2022	2021
U.S. qualified defined benefit plans	\$ —	\$ —
International defined benefit plans	12	7
PRB plans	5	—
Defined contribution plans	311	271

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

<i>(dollars in millions)</i>	March 31, 2022	December 31, 2021
Noncurrent pension assets (included in Other assets)	\$ 3,538	\$ 3,214
Current pension and PRB liabilities (included in Accrued employee compensation)	310	310
Future pension and postretirement benefit obligations	7,709	7,855

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

<i>(dollars in millions)</i>	March 31, 2022	December 31, 2021
Noncurrent pension liabilities	\$ 6,748	\$ 6,873
Noncurrent PRB liabilities	898	903
Other pension and PRB related items	63	79
Future pension and postretirement benefit obligations	\$ 7,709	\$ 7,855

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 March 31,		Quarter Ended March 31,	
	2022	2021	2022	2021
Operating expense				
Service cost	\$ 118	\$ 131	\$ 2	\$ 2
Non-operating expense				
Interest cost	382	312	7	6
Expected return on plan assets	(890)	(868)	(5)	(5)
Amortization of prior service credit	(42)	(42)	—	(1)
Recognized actuarial net loss (gain)	77	109	(3)	(2)
Net settlement, curtailment and special termination benefit gain	(6)	—	—	—
Non-service pension income	(479)	(489)	(1)	(2)
Total net periodic benefit (income) expense	\$ (361)	\$ (358)	\$ 1	\$ —

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>	March 31, 2022	December 31, 2021
Marketable securities held in trusts	\$ 857	\$ 965

Note 10: Income Taxes

Our effective tax rate was 9.3% and 29.8% in the quarters ended March 31, 2022 and 2021, respectively. The effective tax rate in the quarter ended March 31, 2022 includes a benefit of 5 percentage points primarily related to an incremental Foreign Derived Intangible Income (FDII) benefit and other effects created by the capitalization of research or experimental expenditures for tax-purposes, which was enacted as part of the Tax Cuts and Jobs Act of 2017 and became effective on January 1, 2022. Tax expense in the quarter ended March 31, 2021 includes tax charges incremental to the U.S. statutory rate of \$148 million associated with the sale of the Forcepoint business, as described in “Note 2: Acquisitions, Dispositions, Goodwill and Intangible Assets.” Subsequently, in the fourth quarter of 2021, we recognized an incremental \$104 million tax benefit due to the revaluation of that Forcepoint tax benefit as a result of completing the divestiture of RIS’s global training and services business.

We conduct business globally and, as a result, Raytheon Technologies 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 2012.

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 \$20 million to \$500 million of unrecognized tax benefits may occur within the next 12 months as a result of the revaluation of uncertain tax positions arising from the issuance of legislation, regulatory or other guidance or developments in examinations, in appeals, or in the courts, or the closure of tax statutes.

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, in each case, 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, financial condition, results of operations and cash flows in future reporting periods.

The Examination Division of the Internal Revenue Service (IRS) is currently auditing Raytheon Technologies tax years 2017 and 2018 and pre-merger Raytheon Company tax periods 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 Division of the IRS is also auditing pre-acquisition Rockwell Collins fiscal tax years 2016 and 2017, which is projected to close during 2022. As a result of the projected closure of the audit of Rockwell Collins fiscal tax years 2016 and 2017, it is reasonably possible that the Company may recognize non-cash gains in the range of \$20 million to \$100 million during 2022.

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 aggregate notional amount of our outstanding foreign currency hedges was \$8.6 billion and \$8.5 billion at March 31, 2022 and December 31, 2021, respectively. At March 31, 2022, 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	March 31, 2022	December 31, 2021
Derivatives designated as hedging instruments:			
Foreign exchange contracts	Other assets, current	\$ 103	\$ 59
	Other accrued liabilities	211	202
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	Other assets, current	\$ 14	\$ 11
	Other accrued liabilities	15	11

The effect of cash flow hedging relationships on Accumulated other comprehensive income (loss) and on the Condensed Consolidated Statement of Operations in the quarters ended March 31, 2022 and 2021 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 March 31, 2022, we have €500 million of euro-denominated long-term debt outstanding, which 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.

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>	March 31, 2022			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities held in trusts	\$ 857	\$ 783	\$ 74	\$ —
Derivative assets	117	—	117	—
Derivative liabilities	(226)	—	(226)	—

<i>(dollars in millions)</i>	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Marketable securities held in trusts	\$ 965	\$ 890	\$ 75	\$ —
Derivative assets	70	—	70	—
Derivative liabilities	(213)	—	(213)	—

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 March 31, 2022, 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>	March 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Customer financing notes receivable	\$ 195	\$ 187	\$ 195	\$ 192
Long-term debt (excluding finance leases)	(31,233)	(32,566)	(31,250)	(35,828)

The following tables provides 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>	March 31, 2022			
	Total	Level 1	Level 2	Level 3
Customer financing notes receivable	\$ 187	\$ —	\$ 187	\$ —
Long-term debt (excluding finance leases)	(32,566)	—	(32,516)	(50)

<i>(dollars in millions)</i>	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Customer financing notes receivable	\$ 192	\$ —	\$ 192	\$ —
Long-term debt (excluding finance leases)	(35,828)	—	(35,778)	(50)

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 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. 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>	March 31, 2022		December 31, 2021	
Current assets	\$	6,630	\$	7,081
Noncurrent assets		801		825
Total assets	\$	7,431	\$	7,906
Current liabilities	\$	7,880	\$	7,965
Noncurrent liabilities		35		54
Total liabilities	\$	7,915	\$	8,019

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 2028. Additional guarantees of project performance for which there is no stated value also remain outstanding. As of March 31, 2022 and December 31, 2021, the following financial guarantees were outstanding:

<i>(dollars in millions)</i>	March 31, 2022		December 31, 2021	
	Maximum Potential Payment	Carrying Amount of Liability	Maximum Potential Payment	Carrying Amount of Liability
Commercial aerospace financing arrangements	\$ 304	\$ —	\$ 309	\$ 3
Third party guarantees	503	4	511	5

We have made residual value and other guarantees related to various commercial aerospace customer financing arrangements. The estimated fair 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 is \$140 million and \$141 million at March 31, 2022 and December 31, 2021, 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 \$118 million and \$120 million at March 31, 2022 and December 31, 2021, 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 quarters ended March 31, 2022 and 2021 were as follows:

<i>(dollars in millions)</i>	2022		2021	
Balance as of January 1	\$	1,157	\$	1,057
Warranties and performance guarantees issued		71		113
Settlements		(74)		(69)
Other		—		(1)
Balance as of March 31	\$	1,154	\$	1,100

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 March 31, 2022 and December 31, 2021, we had \$830 million and \$834 million, respectively, reserved for environmental remediation.

Commercial Aerospace Financing and Other Commitments. We had commercial aerospace financing commitments and other contractual commitments of approximately \$15.5 billion and \$15.6 billion as of March 31, 2022 and December 31, 2021, 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 the 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 the 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, which are considered in other contractual commitments, 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 \$3.7 billion as of March 31, 2022.

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 March 31, 2022, the aggregate amount of our offset agreements, both agreed to and anticipated to be agreed to, had an outstanding notional value of approximately \$10.9 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.

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 (\$748 million at March 31, 2022). 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 (\$121 million at March 31, 2022). 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. Although the ASBCA decision may also be subject to further appellate review, we 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 (\$82 million at March 31, 2022). 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 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 Matter

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 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, is cooperating fully with the SEC's and DOJ's inquiry, and is examining whether there has been any conduct that is in violation of Raytheon Company policy. At this time, the Company is unable to predict the outcome of the SEC's or DOJ's inquiry. Based on the information available to date, however, we do not believe the results of this inquiry 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 have made substantial progress in our internal review of the issues raised by the DOJ investigation. Although we continue to 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 \$290 million for this matter. We are currently unable to estimate an incremental loss, if any, which may result following the completion of our internal review and resolution of the DOJ investigation. Based on the information available to date, we do not believe the results of the investigation or of any potential civil litigation will have a material adverse effect on our results of operations, financial condition or liquidity.

Four shareholder lawsuits were filed against the Company after the DOJ investigation was first disclosed. A putative securities class action lawsuit was filed in the United States District Court for the District of Arizona against the Company and certain of its executives alleging that the defendants violated federal securities laws by making material misstatements in regulatory filings regarding internal controls over financial reporting in RMD. Three shareholder derivative lawsuits were 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. We believe that each of these lawsuits lacks merit.

Darnis, et al.

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 (Geraud Darnis, et al. v. Raytheon Technologies Corporation, et al.). 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 supersedes the initial complaint and continues to assert claims for breach of the equity compensation plans against the Company, Otis and Carrier, but no longer asserts ERISA claims. Further, no claim is made in the amended complaint against any current or former director of any of the three companies. Plaintiffs seek money damages, attorneys' fees and other relief. We continue to believe that the

Company has meritorious defenses to these claims. At this time, the Company is unable to predict the outcome; however, 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.

DOJ Grand Jury Investigation and Related Civil Litigation

The Company received a grand jury subpoena in late 2019, as part of a DOJ criminal investigation into purported agreements not to solicit or hire employees in violation of the federal antitrust laws. While the investigation has focused on alleged hiring restrictions between and among Pratt & Whitney and certain of its suppliers of outsourced engineering services, the subpoena also included requests regarding Collins. Since receipt of the subpoena, the Company has been cooperating with the DOJ investigation. On December 15, 2021, a criminal indictment was filed in the United States District Court for the District of Connecticut, against a former Pratt & Whitney employee and other employees of certain outsourced engineering suppliers charging each of them with one count of violating the federal antitrust laws. No current or former Collins employees were named in the indictment. We were recently advised that the Company is a target of the DOJ investigation, and we continue to cooperate with the investigation. No criminal charge has been filed against the Company or its affiliates.

After the criminal charges against the individuals were filed, numerous civil class action antitrust lawsuits have been filed against Pratt & Whitney and other corporate and individual defendants in the United States District Court for the District of Connecticut. The allegations in each of the civil lawsuits track the factual assertions in the criminal indictment and generally allege 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 in each of the civil lawsuits seek to represent different purported classes of engineers and skilled laborers employed by Pratt & Whitney and other supplier-defendants since 2011. Collins was also named as a defendant in some of the lawsuits. Plaintiffs in each of the lawsuits seek treble damages in an undetermined amount, plus attorneys' fees and costs of suit. All of the lawsuits have been consolidated, and we anticipate the filing of a single amended class action complaint. 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.

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 ended March 31, 2022 and 2021 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 March 31, 2022				
Balance at December 31, 2021	\$ 49	\$ (1,828)	\$ (136)	\$ (1,915)
Other comprehensive income (loss) before reclassifications, net	(242)	(11)	31	(222)
Amounts reclassified, pre-tax	2	32	6	40
Tax benefit (expense)	(3)	(4)	(11)	(18)
Balance at March 31, 2022	\$ (194)	\$ (1,811)	\$ (110)	\$ (2,115)

<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 March 31, 2021				
Balance at December 31, 2020	\$ 710	\$ (4,483)	\$ 39	\$ (3,734)
Other comprehensive income (loss) before reclassifications, net	(176)	(10)	(46)	(232)
Amounts reclassified, pre-tax	—	64	(14)	50
Tax benefit (expense)	(5)	(12)	12	(5)
Balance at March 31, 2021	\$ 529	\$ (4,441)	\$ (9)	\$ (3,921)

Note 17: Segment Financial Data

Our operations, for the periods presented herein, are classified into four principal segments: Collins, Pratt & Whitney, RIS and RMD. The 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.

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 RIS and RMD segments. 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 RIS and RMD 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.

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 and the amortization of customer contractual obligations related to loss making or below market contracts acquired. These adjustments are not considered part of management's evaluation of segment results.

Total sales and operating profit 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 March 31, 2022 and 2021 are as follows:

<i>(dollars in millions)</i>	Net Sales		Operating Profit		Operating Profit Margins	
	2022	2021	2022	2021	2022	2021
Collins Aerospace Systems	\$ 4,824	\$ 4,370	\$ 440	\$ 314	9.1 %	7.2 %
Pratt & Whitney	4,529	4,030	151	20	3.3 %	0.5 %
Raytheon Intelligence & Space	3,572	3,765	378	388	10.6 %	10.3 %
Raytheon Missiles & Defense	3,527	3,793	387	496	11.0 %	13.1 %
Total segment	16,452	15,958	1,356	1,218	8.2 %	7.6 %
Eliminations and other ⁽¹⁾	(736)	(707)	(34)	(31)		
Corporate expenses and other unallocated items ⁽²⁾	—	—	(136)	(81)		
FAS/CAS operating adjustment	—	—	378	423		
Acquisition accounting adjustments	—	—	(484)	(516)		
Consolidated	\$ 15,716	\$ 15,251	\$ 1,080	\$ 1,013	6.9 %	6.6 %

(1) Includes the operating results of certain smaller non-reportable business segments.

(2) Includes the net expenses related to the U.S. Army's Lower Tier Air and Missile Defense Sensor (LTAMDS) project.

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 RIS and RMD segments, 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 March 31, 2022 and 2021 are as follows:

<i>(dollars in millions)</i>	2022						2021					
	Collins Aerospace Systems	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Other	Total	Collins Aerospace Systems	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Other	Total
United States	\$ 2,249	\$ 2,312	\$ 2,866	\$ 2,299	\$ 4	\$ 9,730	\$ 2,242	\$ 2,159	\$ 2,965	\$ 2,357	\$ 7	\$ 9,730
Europe	1,314	879	107	272	—	2,572	1,079	626	114	327	1	2,147
Asia Pacific	497	873	163	324	—	1,857	405	793	204	370	—	1,772
Middle East and North Africa	112	78	81	558	—	829	95	104	133	660	—	992
Canada and All Other	293	387	36	12	—	728	217	348	29	16	—	610
Consolidated net sales	4,465	4,529	3,253	3,465	4	15,716	4,038	4,030	3,445	3,730	8	15,251
Inter-segment sales	359	—	319	62	(740)	—	332	—	320	63	(715)	—
Business segment sales	\$ 4,824	\$ 4,529	\$ 3,572	\$ 3,527	\$ (736)	\$ 15,716	\$ 4,370	\$ 4,030	\$ 3,765	\$ 3,793	\$ (707)	\$ 15,251

Segment sales disaggregated by customer for the quarters ended March 31, 2022 and 2021 are as follows:

<i>(dollars in millions)</i>	2022						2021					
	Collins Aerospace Systems	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Other	Total	Collins Aerospace Systems	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Other	Total
U.S. government ⁽¹⁾	\$ 1,051	\$ 1,174	\$ 2,812	\$ 2,297	\$ 4	\$ 7,338	\$ 1,222	\$ 1,262	\$ 2,900	\$ 2,357	\$ 7	\$ 7,748
Foreign military sales through the U.S. government	54	197	160	765	—	1,176	40	242	208	805	—	1,295
Foreign government direct commercial sales	251	103	204	401	—	959	245	139	229	567	—	1,180
Commercial aerospace and other commercial	3,109	3,055	77	2	—	6,243	2,531	2,387	108	1	1	5,028
Consolidated net sales	4,465	4,529	3,253	3,465	4	15,716	4,038	4,030	3,445	3,730	8	15,251
Inter-segment sales	359	—	319	62	(740)	—	332	—	320	63	(715)	—
Business segment sales	\$ 4,824	\$ 4,529	\$ 3,572	\$ 3,527	\$ (736)	\$ 15,716	\$ 4,370	\$ 4,030	\$ 3,765	\$ 3,793	\$ (707)	\$ 15,251

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

Segment sales disaggregated by sales type for the quarters ended March 31, 2022 and 2021 are as follows:

<i>(dollars in millions)</i>	2022						2021					
	Collins Aerospace Systems	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Other	Total	Collins Aerospace Systems	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Other	Total
Products	\$ 3,482	\$ 2,633	\$ 2,604	\$ 3,139	\$ 4	\$ 11,862	\$ 3,182	\$ 2,423	\$ 2,676	\$ 3,375	\$ 8	\$ 11,664
Services	983	1,896	649	326	—	3,854	856	1,607	769	355	—	3,587
Consolidated net sales	4,465	4,529	3,253	3,465	4	15,716	4,038	4,030	3,445	3,730	8	15,251
Inter-segment sales	359	—	319	62	(740)	—	332	—	320	63	(715)	—
Business segment sales	\$ 4,824	\$ 4,529	\$ 3,572	\$ 3,527	\$ (736)	\$ 15,716	\$ 4,370	\$ 4,030	\$ 3,765	\$ 3,793	\$ (707)	\$ 15,251

RIS and RMD segment sales disaggregated by contract type for the quarters ended March 31, 2022 and 2021 are as follows:

<i>(dollars in millions)</i>	2022		2021	
	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Raytheon Intelligence & Space	Raytheon Missiles & Defense
Fixed-price	\$ 1,340	\$ 2,075	\$ 1,471	\$ 2,251
Cost-type	1,913	1,390	1,974	1,479
Consolidated net sales	3,253	3,465	3,445	3,730
Inter-segment sales	319	62	320	63
Business segment sales	\$ 3,572	\$ 3,527	\$ 3,765	\$ 3,793

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 \$154 billion as of March 31, 2022. In the quarter ended March 31, 2022, we reversed approximately \$1.3 billion of RPO related to our sales contracts in Russia due to global sanctions on and export controls with respect to Russia, as further discussed in “Note 1: Basis of Presentation.” Of the total RPO as of March 31, 2022, we expect approximately 30% will be recognized as sales over the next 12 months. Approximately 40% 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 October 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires an acquirer to apply the guidance in ASC 606, Revenue from Contracts with Customers, to recognize and measure contract assets and contract liabilities in a business combination, rather than using fair value. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. Effective January 1, 2022, we elected to early adopt the requirements of the new standard on a prospective basis. The adoption of the standard did not have an impact on our financial position, results of operations or liquidity.

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance, which requires business entities to make specific annual disclosures about transactions with a government. The new standard is effective for fiscal years beginning after December 15, 2021. We are currently evaluating the impact of the standard, but we do not expect it to have a material impact on our disclosures.

Other new pronouncements issued but not effective until after March 31, 2022 are not expected to have a material impact on our financial condition, results of operations or liquidity.

With respect to the unaudited condensed consolidated financial information of Raytheon Technologies for the quarters ended March 31, 2022 and 2021, 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 April 26, 2022, 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 Raytheon Technologies Corporation

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Raytheon Technologies Corporation and its subsidiaries (the “Company”) as of March 31, 2022, and the related condensed consolidated statements of operations, of comprehensive income, of changes in equity, and of cash flows for the three-month periods ended March 31, 2022 and 2021, including the related notes (collectively referred to as the “interim financial information”). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2021, 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 11, 2022, 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, 2021, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

April 26, 2022

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.

We operate in four principal business segments: Collins Aerospace Systems (Collins), Pratt & Whitney, Raytheon Intelligence & Space (RIS) and Raytheon Missiles & Defense (RMD). Unless the context otherwise requires, the terms “we,” “our,” “us,” “the Company,” “Raytheon Technologies,” and “RTC” mean Raytheon Technologies Corporation and its subsidiaries.

The current status of significant factors affecting our business environment in 2022 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 2021 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 primarily at RIS, 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, including regulations related to global warming, carbon footprint and fuel efficiency, can have a negative impact on our worldwide operations. 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 operations’ customers are covered under long-term aftermarket service agreements at both Collins and Pratt & Whitney, which are inclusive of both spare parts and services.

RIS, RMD, and the defense operations of Collins and Pratt & Whitney are affected by U.S. Department of Defense (DoD) budget and spending levels, changes in demand, changes in policy positions or priorities and the global political environment.

Impact of the COVID-19 Pandemic

The coronavirus disease 2019 (COVID-19) pandemic continues to negatively affect the global economy, our business and operations, supply chains, and the industries in which we operate. However, we continue to see indications that commercial air travel is recovering in certain areas of demand. While we believe that the long-term outlook for the aerospace industry remains positive due to the fundamental drivers of air travel demand, there continues to be uncertainty with respect to when commercial air traffic capacity will fully return to and/or exceed pre-COVID-19 levels. Our expectations regarding 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.

Other Matters

Global economic and political conditions, changes in raw material and commodity prices, labor costs, interest rates, foreign currency exchange rates, energy costs, 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.

In response to the Russian military’s invasion of Ukraine on February 24, 2022, the U.S. government has imposed broad economic sanctions and export controls targeting key industries, entities and individuals in Russia. These U.S. government measures, among other items, restrict transactions involving various Russian banks and financial institutions and impose enhanced export controls limiting transfers of various goods, software and technologies to Russia, including broadened export controls specifically targeting Russia’s aerospace sector. Governments of various other jurisdictions in which we operate, including Canada, the United Kingdom, the European Union and others, have implemented similar measures. These sanctions and export controls, as well as responses from Russia, have adversely affected and could continue to adversely affect the Company and/or our supply chain, business partners or customers; however, we do not believe this matter will have a material

adverse effect on our financial results. In the quarter ended March 31, 2022, we reversed \$1.3 billion of backlog, which would have been recognized over a span of approximately 10 years, and recorded certain impairment charges and increases to reserves related to operations at our Pratt & Whitney and Collins businesses, as discussed further in “Note 1: Basis of Presentation” within Item 1 of this Form 10-Q.

In addition, in October 2020, the People’s Republic of China (China) announced that it may sanction Raytheon in connection with a possible Foreign Military Sale to Taiwan of six MS-110 Reconnaissance Pods and related equipment manufactured by Collins. Foreign Military Sales are government-to-government transactions that are initiated by, and carried out at the direction of, the U.S. government. Similarly, in February 2022, China announced that it plans to take countermeasures against RTC in connection with an approved Foreign Military Sale of Patriot missile system upgrade services to Taiwan. To date, the Chinese government has not imposed sanctions on RTC or indicated the nature or timing of any future potential sanctions or other countermeasures. If China were to impose sanctions or take other regulatory action against any RTC entity, our suppliers, affiliates or partners, it could potentially disrupt our business operations. The impact of potential sanctions or other actions by China cannot be determined at this time.

Also, in July 2019, the U.S. government suspended Turkey’s participation in the F-35 Joint Strike Fighter program because Turkey accepted delivery of the Russian-built S-400 air and missile defense system. The U.S. has imposed, and may impose additional, sanctions on Turkey, as well as contractual restrictions on the use of Turkish sources on certain military programs, as a result of this or other political disputes. Turkish companies supply us with components, some of which are sole-sourced, primarily in our aerospace operations for commercial and military engines and aerospace products. Depending upon the scope and timing of U.S. sanctions or contractual prohibitions on Turkey and potential reciprocal actions, if any, such sanctions or actions could impact our sources of supply and could have a material adverse effect on our results of operations, cash flows or financial condition.

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. 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 March 31, 2022, our Contract liabilities include approximately \$420 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.

See Part I, Item 1A, “Risk Factors” in our 2021 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 2021 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. There have been no significant changes in our critical accounting estimates during the quarter ended March 31, 2022.

RESULTS OF OPERATIONS

As described in our “Cautionary Note Regarding Forward-Looking Statements” in this Form 10-Q, our interim period results of operations and period-to-period comparisons of such 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-recurring and non-operational items (“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. 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 and the amortization of customer contractual obligations related to loss making or below market contracts acquired.

Net Sales

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Net Sales	\$ 15,716	\$ 15,251

The factors contributing to the total change year-over-year in total net sales for the quarter ended March 31, 2022 are as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31, 2022
Organic ⁽¹⁾	\$ 664
Acquisitions and divestitures, net	(168)
Other	(31)
Total change	\$ 465

(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 \$664 million organically in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily due to higher organic sales of \$0.5 billion at Pratt & Whitney and \$0.5 billion at Collins, partially offset by lower organic sales of \$0.3 billion at RMD. The \$168 million decrease in net sales related to Acquisitions and divestitures, net for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily driven by the sale of our global training and services business within our RIS segment in the fourth quarter of 2021.

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

<i>(dollars in millions)</i>	Quarter Ended March 31,		% of Total Net Sales	
	2022	2021	2022	2021
Net Sales				
Products	\$ 11,862	\$ 11,664	75.5 %	76.5 %
Services	3,854	3,587	24.5 %	23.5 %
Total net sales	\$ 15,716	\$ 15,251	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 increased \$198 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily due to increases in external products sales of \$0.3 billion at Collins and \$0.2 billion at Pratt & Whitney, partially offset by a decrease in external products sales of \$0.2 billion at RMD.

Net services sales increased \$267 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily due to increases in external services sales of \$0.3 billion at Pratt & Whitney and \$0.1 billion at Collins, partially offset by a decrease in external services sales of \$0.1 billion at RIS.

Our sales to major customers were as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,		% of Total Net Sales	
	2022	2021	2022	2021
Sales to the U.S. government ⁽¹⁾	\$ 7,338	\$ 7,748	46.7 %	50.8 %
Foreign military sales through the U.S. government	1,176	1,295	7.5 %	8.5 %
Foreign government direct commercial sales	959	1,180	6.1 %	7.7 %
Commercial aerospace and other commercial sales	6,243	5,028	39.7 %	33.0 %
Total net sales	\$ 15,716	\$ 15,251	100 %	100 %

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

Cost of Sales

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Total cost of sales	\$ 12,560	\$ 12,537
Percentage of net sales	79.9 %	82.2 %

The factors contributing to the change year-over-year in total cost of sales for the quarter ended March 31, 2022 are as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31, 2022
Organic ⁽¹⁾	\$ 53
Acquisitions and divestitures, net	(143)
Restructuring	(20)
FAS/CAS operating adjustment	37
Acquisition accounting adjustments	(41)
Other	137
Total change	\$ 23

(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 \$53 million for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily driven by the organic sales increases at Collins and Pratt & Whitney, partially offset by the organic sales decrease at RMD noted above.

The \$143 million decrease in cost of sales related to Acquisitions and divestitures, net for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily driven by the sale of our global training and services business within our RIS segment in the fourth quarter of 2021.

The increase in other cost of sales of \$137 million for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily driven by charges at Pratt & Whitney and Collins related to impairment of customer financing assets for products under lease, inventory reserves, purchase order obligations, and the impairment of contract fulfillment costs that are no longer recoverable, 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.

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 March 31,		% of Total Net Sales	
	2022	2021	2022	2021
Cost of sales				
Products	\$ 9,820	\$ 9,974	62.5 %	65.4 %
Services	2,740	2,563	17.4 %	16.8 %
Total cost of sales	\$ 12,560	\$ 12,537	79.9 %	82.2 %

Net products cost of sales decreased \$154 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily due to a decrease at RIS and RMD, partially offset by an increase at Collins. The decrease at RIS was primarily driven by productivity improvements across numerous programs. The changes at RMD and Collins were related to the changes in products sales noted above.

Net services cost of sales increased \$177 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily due to an increase in external services cost of sales at Pratt & Whitney driven by the services sales increase noted above.

Research and Development

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Company-funded	\$ 635	\$ 589
Percentage of net sales	4.0 %	3.9 %
Customer-funded ⁽¹⁾	\$ 1,086	\$ 1,132
Percentage of net sales	6.9 %	7.4 %

(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.

Company-funded research and development as a percentage of net sales for the quarter ended March 31, 2022 was relatively consistent with the quarter ended March 31, 2021, with the increase principally driven by an increase in research and development spending at Pratt & Whitney.

The decrease in customer-funded research and development of \$46 million for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily driven by lower expenses on various military programs at Collins and Pratt and Whitney, partially offset by higher expenses at RMD primarily driven by the Next Generation Interceptor (NGI) program awarded in the second quarter of 2021.

Selling, General and Administrative

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Selling, general and administrative expenses	\$ 1,469	\$ 1,220
Percentage of net sales	9.3 %	8.0 %

Selling, general and administrative expenses increased \$249 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily driven by higher expenses of \$0.2 billion at Collins and Pratt & Whitney principally driven by \$71 million of charges related to increased estimates for credit losses due to global sanctions on and export controls with respect to Russia, and higher employee-related costs. Also included in the increase was higher Corporate selling, general and administrative expenses driven by higher restructuring costs of \$34 million and unallocated state taxes of \$30 million related to the impact of capitalization of research or experimental expenditures for tax-purposes. 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. As appropriate, the amounts reflected above include the beneficial impact of previous restructuring actions on Selling, general and administrative expenses.

Other Income, Net

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Other income, net	\$ 28	\$ 108

Other income, net includes equity earnings in unconsolidated entities, royalty income, foreign exchange gains and losses, and other ongoing and nonrecurring items. The decrease in Other income, net of \$80 million for the quarter ended March 31, 2022, compared to the quarter ended March 31, 2021 was primarily due to the absence of prior year foreign government wage subsidies related to COVID-19 at Pratt & Whitney of \$29 million, and a loss resulting from the exit of our investment in a Russia-based joint venture at Collins in the quarter ended March 31, 2022.

Operating Profit

<i>(dollars in millions)</i>	Quarter Ended March 31,			
	2022		2021	
Operating profit	\$	1,080	\$	1,013
Operating profit margin		6.9 %		6.6 %

The increase in Operating profit of \$67 million for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily driven by the operating performance at our segments as described below in the individual segment results.

Non-service Pension Income

<i>(dollars in millions)</i>	Quarter Ended March 31,			
	2022		2021	
Non-service pension income	\$	(480)	\$	(491)

The change in Non-service pension income of \$11 million for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to an increase in the discount rate, partially offset by prior years' pension asset returns exceeding our expected return on assets (EROA) assumption.

Interest Expense, Net

<i>(dollars in millions)</i>	Quarter Ended March 31,			
	2022		2021	
Interest expense	\$	322	\$	342
Interest income		(31)		(11)
Other non-operating expense (income) ⁽¹⁾		27		15
Interest expense, net	\$	318	\$	346
Average interest expense rate		4.0 %		4.1 %

(1) Primarily consists of the unrealized gains or losses on marketable securities held in trusts associated with certain of our nonqualified deferred compensation and employee benefit plans.

The decrease in interest expense, net of \$28 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to repayments of higher interest rate long-term debt during 2021, partially offset by debt issuances with lower interest rates during 2021, and adjustments of certain tax-related interest reserves in the quarter ended March 31, 2022.

Income Taxes

	Quarter Ended March 31,			
	2022		2021	
Effective income tax rate		9.3 %		29.8 %

The effective tax rate in the quarter ended March 31, 2022 includes a benefit of 5 percentage points primarily related to an incremental Foreign Derived Intangible Income (FDII) benefit and other effects created by the capitalization of research or experimental expenditures for tax-purposes, which was enacted as part of the Tax Cuts and Jobs Act of 2017 and became effective on January 1, 2022. The effective tax rate for the quarter ended March 31, 2021 includes tax charges incremental to the U.S. statutory rate of \$148 million associated with the sale of the Forcepoint business, as described in "Note 2: Acquisitions, Dispositions, Goodwill and Intangible Assets" within Item 1 of this Form 10-Q. Subsequently, in the fourth quarter of 2021, we recognized an incremental \$104 million tax benefit due to the revaluation of that Forcepoint tax benefit as a result of completing the divestiture of RIS's global training and services business.

Net Income from Continuing Operations Attributable to Common Shareowners

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended March 31,			
	2022		2021	
Net income from continuing operations attributable to common shareowners	\$	1,103	\$	772
Diluted earnings per share from continuing operations	\$	0.74	\$	0.51

Net income from continuing operations attributable to common shareowners for the quarter ended March 31, 2022 includes the following:

- acquisition accounting adjustments of \$379 million, net of tax, which had an unfavorable impact on diluted earnings per share (EPS) from continuing operations of \$0.25; 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 from continuing operations attributable to common shareowners for the quarter ended March 31, 2021 includes the following:

- acquisition accounting adjustments of \$398 million, net of tax, which had an unfavorable impact on diluted EPS from continuing operations of \$0.26; and
- tax expense of \$148 million related to the sale of our Forcepoint business, which had an unfavorable impact on diluted EPS from continuing operations of \$0.10.

Net Income Attributable to Common Shareowners

<i>(dollars in millions, except per share amounts)</i>	Quarter Ended March 31,	
	2022	2021
Net income attributable to common shareowners	\$ 1,084	\$ 753
Diluted earnings per share from operations	\$ 0.72	\$ 0.50

The increase in net income attributable to common shareowners and diluted earnings per share from operations for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily driven by the increase in continuing operations, as discussed above in Net Income from Continuing Operations Attributable to Common Shareowners.

SEGMENT REVIEW

Our operations, for the periods presented herein, are classified into four principal segments: Collins, Pratt & Whitney, RIS and RMD. 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 (and the related operating profit 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 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 March 31,	
	2022	2021
Collins Aerospace Systems	\$ 4,824	\$ 4,370
Pratt & Whitney	4,529	4,030
Raytheon Intelligence & Space	3,572	3,765
Raytheon Missiles & Defense	3,527	3,793
Total segment	16,452	15,958
Eliminations and other	(736)	(707)
Consolidated	\$ 15,716	\$ 15,251

Operating Profit. Operating profit by segment was as follows:

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Collins Aerospace Systems	\$ 440	\$ 314
Pratt & Whitney	151	20
Raytheon Intelligence & Space	378	388
Raytheon Missiles & Defense	387	496
Total segment	1,356	1,218
Eliminations and other	(34)	(31)
Corporate expenses and other unallocated items	(136)	(81)
FAS/CAS operating adjustment	378	423
Acquisition accounting adjustments	(484)	(516)
Consolidated	\$ 1,080	\$ 1,013

Included in segment operating profit 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 perform 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 March 31,	
	2022	2021
Gross favorable	\$ 374	\$ 312
Gross unfavorable	(338)	(300)
Total net EAC adjustments	\$ 36	\$ 12

The change in net EAC adjustments of \$24 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to a favorable change in net EAC adjustments of \$58 million at Collins, partially offset by an unfavorable change in net EAC adjustments of \$42 million at RMD, both spread across numerous individual programs with no individual or common significant driver.

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

Backlog and Defense Bookings. Total backlog was approximately \$154 billion and \$156 billion as of March 31, 2022 and December 31, 2021, respectively, which includes defense backlog of \$62 billion and \$63 billion as of March 31, 2022 and December 31, 2021, respectively. In the quarter ended March 31, 2022, we reversed \$1.3 billion of backlog at our Pratt & Whitney and Collins businesses, as discussed further in “Note 1: Basis of Presentation” within Item 1 of this Form 10-Q. Our defense operations consist primarily of our RIS and RMD businesses and operations in the defense businesses within our Collins and Pratt & Whitney segments. Defense bookings were approximately \$8 billion and \$9 billion for the quarters ended March 31, 2022 and 2021, respectively.

Defense 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 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 Systems

<i>(dollars in millions)</i>	Quarter Ended March 31,		
	2022	2021	Change
Net Sales	\$ 4,824	\$ 4,370	10 %
Operating Profit	440	314	40 %
Operating Profit Margins	9.1 %	7.2 %	

Quarter Ended March 31, 2022 Compared with Quarter Ended March 31, 2021

<i>(dollars in millions)</i>	Factors Contributing to Total Change				Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other	
Net Sales	\$ 474	\$ 3	\$ —	\$ (23)	\$ 454
Operating Profit	248	(4)	15	(133)	126

(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 \$0.5 billion in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily relates to higher commercial aerospace aftermarket sales of \$0.5 billion, including increases across all aftermarket sales channels, primarily due to an increase in flight hours and aircraft fleet utilization as commercial aerospace continues to recover from the unfavorable economic environment principally driven by the COVID-19 pandemic. The increase also includes higher commercial aerospace OEM sales of \$0.2 billion primarily due to narrow-body growth. These increases were partially offset by lower military sales of \$0.2 billion in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 primarily due to supply chain constraints and lower F-35 volume.

The organic profit increase of \$0.2 billion in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to higher commercial aerospace operating profit of \$0.4 billion principally driven by the higher commercial aerospace aftermarket sales discussed above. This increase in commercial aerospace operating profit was partially offset by lower military operating profit of \$0.1 billion principally driven by the lower military sales volume discussed above, and higher selling, general and administrative expenses of \$0.1 billion primarily due to higher employee-related costs.

The decrease in Other operating profits of \$133 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to \$141 million of pretax charges related to increased estimates for credit losses, inventory reserves, recognition of purchase order obligations and a loss resulting from the exit of our investment in a Russia-based joint venture, 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.

Pratt & Whitney

<i>(dollars in millions)</i>	Quarter Ended March 31,		
	2022	2021	Change
Net Sales	\$ 4,529	\$ 4,030	12 %
Operating Profit	151	20	655 %
Operating Profit Margins	3.3 %	0.5 %	

Quarter Ended March 31, 2022 Compared with Quarter Ended March 31, 2021

<i>(dollars in millions)</i>	Factors Contributing to Total Change				Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Restructuring Costs	Other	
Net Sales	\$ 507	\$ —	\$ —	\$ (8)	\$ 499
Operating Profit	269	—	18	(156)	131

(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 \$0.5 billion in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 reflects higher commercial aftermarket sales of \$0.6 billion primarily due to an increase in shop visits and related spare part sales as commercial aerospace continues to recover from the unfavorable economic environment principally driven by the COVID-19 pandemic. The increase also includes higher commercial OEM sales of \$0.1 billion primarily driven by favorable mix on large commercial engine shipments. These increases were partially offset by lower military sales of \$0.2 billion.

primarily due to lower sales on F-135 production due to the timing of awards and lower volume, partially offset by higher F-135 sustainment volume.

The organic profit increase of \$0.3 billion in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily driven by higher commercial aerospace operating profit of \$0.5 billion principally due to the aftermarket sales volume increase discussed above, favorable OEM mix, and higher Pratt & Whitney Canada OEM volume. This increase was partially offset by an increase in selling, general and administrative expenses and research and development costs of \$0.1 billion combined and slightly lower military operating profit principally due to the military sales volume decrease discussed above. The change in organic operating profit was also affected by the absence of prior year foreign government wage subsidies related to COVID-19 of \$29 million.

The decrease in Other operating profits of \$156 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to \$155 million of pretax charges 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.

Defense Bookings – In addition to a number of smaller bookings, in the quarter ended March 31, 2022 Pratt & Whitney booked \$251 million for tanker production Lots 7 and 8.

Raytheon Intelligence & Space

<i>(dollars in millions)</i>	Quarter Ended March 31,		
	2022	2021	Change
Net Sales	\$ 3,572	\$ 3,765	(5)%
Operating Profit	378	388	(3)%
Operating Profit Margins	10.6 %	10.3 %	
Bookings	\$ 2,592	\$ 3,726	(30)%

Quarter Ended March 31, 2022 Compared with Quarter Ended March 31, 2021

<i>(dollars in millions)</i>	Factors Contributing to Total Change in Net Sales			
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Other	Total Change
Net Sales	\$ (17)	\$ (171)	\$ (5)	\$ (193)

(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.

<i>(dollars in millions)</i>	Factors Contributing to Change in Operating Profit				
	Volume	Net change in EAC adjustments	Acquisitions / Divestitures, net	Mix and other performance	Total Change
Operating Profit	\$ (1)	\$ 16	\$ (28)	\$ 3	\$ (10)

Organic sales in the quarter ended March 31, 2022 were relatively consistent with the quarter ended March 31, 2021. Included in the organic change in sales were lower command and control and communications sales of \$0.1 billion primarily driven by a planned decrease in production volumes on certain tactical communications systems programs and slightly lower sensing and effects sales, nearly offset by an increase in cyber, training and services sales on certain classified cyber programs.

The decrease in operating profit of \$10 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily due to acquisition / divestitures, net described below, which was partially offset by the net favorable change in EAC adjustments of \$16 million, which was spread across numerous programs. The increase in operating profit margins in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily due to the net favorable change in EAC adjustments, partially offset by the impact of acquisitions / divestitures, net.

The decrease in net sales and operating profit due to acquisitions / divestitures, net primarily relates to the sale of the global training and services business in the fourth quarter of 2021.

Backlog and Bookings– Backlog was \$17 billion at March 31, 2022 and \$18 billion at December 31, 2021. In the quarter ended March 31, 2022, RIS booked \$1.1 billion on a number of classified contracts and \$311 million on the Next-Generation Overhead Persistent Infrared (Next-Gen OPIR) GEO missile warning and defense contract for the U.S. Space Force.

Raytheon Missiles & Defense

<i>(dollars in millions)</i>	Quarter Ended March 31,		
	2022	2021	Change
Net Sales	\$ 3,527	\$ 3,793	(7)%
Operating Profit	387	496	(22)%
Operating Profit Margins	11.0 %	13.1 %	
Bookings	\$ 4,100	\$ 2,532	62 %

Quarter Ended March 31, 2022 Compared with Quarter Ended March 31, 2021

<i>(dollars in millions)</i>	Factors Contributing to Total Change in Net Sales				Total Change
	Organic ⁽¹⁾	Acquisitions / Divestitures, net	Other		
Net Sales	\$ (260)	\$ —	\$ (6)	\$	(266)

(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.

<i>(dollars in millions)</i>	Factors Contributing to Change in Operating Profit					Total Change
	Volume	Net change in EAC adjustments	Acquisitions / Divestitures, net	Mix and other performance		
Operating Profit	\$ (24)	\$ (42)	\$ —	\$ (43)	\$	(109)

The organic sales decrease of \$260 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to lower net sales of \$0.2 billion on our Land Warfare and Air Defense programs, primarily driven by lower material receipts as a result of supply chain constraints and planned decreases in production on certain programs. Also included in the decrease in organic sales were lower net sales of \$85 million on the Advanced Medium Range Air-to-Air Missile (AMRAAM) program and higher net sales of \$80 million on the NGI program.

The decrease in operating profit of \$109 million and the related decrease in operating margin in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily due to the change in mix and other performance of \$43 million primarily driven by the lower sales on the Land Warfare and Air Defense programs discussed above, and a net unfavorable change in EAC adjustments of \$42 million, which was spread across numerous programs with no individual or common significant driver.

Backlog and Bookings— Backlog was \$29 billion at both March 31, 2022 and December 31, 2021. In the quarter ended March 31, 2022, RMD booked \$1.2 billion on a number of classified contracts, including a strategic competitive award. RMD also booked \$651 million for the SPY-6 Hardware Production and Sustainment contract for the U.S. Navy, \$384 million for Excalibur Rapid Demonstration Phase 2 for the U.S. Army, \$219 million for Air Intercept Missile (AIM-9X) Sidewinder short-range air-to-air missiles for the U.S. Navy and Air Force and international customers and \$218 million to provide Patriot engineering support services 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 non-reportable business segments. Corporate expenses and other unallocated items consists of costs and certain other unallowable corporate costs not considered part of management’s evaluation of reportable segment operating performance including restructuring costs related to the Raytheon merger, net costs associated with corporate research and development, including the Lower Tier Air and Missile Defense Sensor (LTAMDS) program and certain reserves.

<i>(dollars in millions)</i>	Net Sales		Operating Profit	
	Quarter Ended March 31,		Quarter Ended March 31,	
	2022	2021	2022	2021
Eliminations and other	\$ (736)	\$ (707)	\$ (34)	\$ (31)
Corporate expenses and other unallocated items	—	—	(136)	(81)

The increase in eliminations and other sales of \$29 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was primarily due to an increase in intersegment eliminations, principally driven by Collins.

Eliminations and other operating profit in the quarter ended March 31, 2022 was relatively consistent with the quarter ended March 31, 2021.

The increase in Corporate expenses and other unallocated items of \$55 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily due to higher restructuring costs of \$34 million and unallocated state taxes of \$30 million related to the impact of capitalization of research or experimental expenditures for tax-purposes.

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 PRB expense under the Financial Accounting Standards (FAS) requirements of U.S. Generally Accepted Accounting Principles (GAAP) and our pension and postretirement benefit (PRB) expense under U.S. government Cost Accounting Standards (CAS) primarily related to our RIS and RMD segments. 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 RIS and RMD 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.

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

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
FAS service cost (expense)	\$ (91)	\$ (101)
CAS expense	469	524
FAS/CAS operating adjustment	\$ 378	\$ 423

The change in our FAS/CAS operating adjustment of \$45 million in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021 was driven by a \$55 million decrease in CAS expense, partially offset by a \$10 million decrease in FAS service cost. The decrease in CAS expense was primarily due to an increase in applicable discount rates as a result of U.S. qualified pension plan funding relief included in the American Rescue Plan Act of 2021 (ARPA).

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 and the amortization of customer contractual obligations related to loss making or below market contracts acquired. 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 March 31,	
	2022	2021
Amortization of acquired intangibles	\$ (477)	\$ (587)
Amortization of property, plant and equipment fair value adjustment	(32)	(19)
Amortization of customer contractual obligations related to acquired loss-making and below-market contracts	25	90
Acquisition accounting adjustments	\$ (484)	\$ (516)

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

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Collins Aerospace Systems	\$ (206)	\$ (149)
Pratt & Whitney	(57)	(22)
Raytheon Intelligence & Space	(84)	(139)
Raytheon Missiles & Defense	(137)	(206)
Total segment	(484)	(516)
Eliminations and other	—	—
Acquisition accounting adjustments	\$ (484)	\$ (516)

The change in the Acquisition accounting adjustments of \$32 million for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, was primarily driven by a decrease in RIS and RMD intangibles amortization related to the

Raytheon merger in 2020, partially offset by the absence of \$47 million of amortization of customer contractual obligations due to the accelerated liquidation of a below-market contract reserve at Collins driven by the termination of a customer contract recognized in the quarter ended March 31, 2021.

LIQUIDITY AND FINANCIAL CONDITION

<i>(dollars in millions)</i>	March 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 6,040	\$ 7,832
Total debt	31,472	31,485
Total equity	73,986	74,664
Total capitalization (total debt plus total equity)	105,458	106,149
Total debt to total capitalization	30 %	30 %

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing 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 March 31, 2022, we had cash and cash equivalents of \$6.0 billion, of which approximately 42% was held by RTC'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, RTC will continue to permanently reinvest these earnings.

Historically, our strong credit ratings and financial position have enabled us to issue long-term debt at favorable interest rates.

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 90 days from the date of issuance. As of March 31, 2022, 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 no commercial paper outstanding at March 31, 2022.

As of March 31, 2022, we had revolving credit agreements with various banks permitting aggregate borrowings of up to \$7.0 billion, consisting of a \$5.0 billion revolving credit agreement, which expires in April 2025, and a \$2.0 billion revolving credit agreement, which expires in May 2022 and is expected to be renewed in the second quarter of 2022. As of March 31, 2022, there were no borrowings outstanding under these agreements.

We have an existing universal shelf registration statement, which we filed with the Securities and Exchange Commission (SEC) on September 27, 2019, 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 a voluntary supply chain finance (SCF) program with a global financial institution which enables our suppliers, at their sole discretion, to sell their receivables from the Company to the financial institution at a rate that leverages our credit rating, which might be beneficial to them. Our suppliers' participation in the SCF program 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 program. In addition, we provide no guarantees or otherwise pay for any of the costs of the program incurred by those suppliers that choose to participate, and have no direct financial relationship with the financial institution, as it relates to the program. As such, the SCF program does not impact our 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>	Quarter Ended March 31,	
	2022	2021
Net cash flows provided by operating activities from continuing operations	\$ 476	\$ 723

Cash generated by operating activities from continuing operations in the quarter ended March 31, 2022 was \$0.2 billion lower than the same period in 2021, primarily driven by an unfavorable change in inventory primarily due to current year increases to support anticipated sales volume growth at Pratt & Whitney and Collins, partially offset by a favorable change in accounts receivable primarily driven by the timing of engine deliveries and related billings at Pratt & Whitney. The remaining favorable change in accounts receivable was primarily driven by collaborator receivables at Pratt & Whitney, which was mostly offset with an unfavorable change in accounts payable and accrued liabilities primarily driven by collaborator payables. In addition, current year working capital also reflects a \$0.5 billion increase in accounts payable and accrued liabilities related to a non-cash charge to income tax expense driven by the capitalization of research and experimental expenditures for tax purposes, as discussed further below. Net income after adjusting for this non-cash charge, as well as adjustments for depreciation and amortization, deferred income tax (benefit) provision, stock compensation costs, and net periodic pension and other postretirement benefit was consistent with the prior year.

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 \$0.5 billion in cash provided by operating activities during the quarter ended March 31, 2022, compared to an increase in cash flows provided by operating activities of approximately \$0.6 billion during the quarter ended March 31, 2021. 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 \$133 million and \$113 million in the quarters ended March 31, 2022 and 2021, respectively. A provision enacted in the Tax Cuts and Jobs Act of 2017 related to the capitalization of research and experimental expenditures for tax purposes became effective on January 1, 2022. If this provision is not deferred, our full year 2022 tax payments are expected to increase by an estimated \$2 billion, which has a significant impact on our tax payable and deferred tax balances. The increased payments will begin later in 2022.

Cash Flow - Investing Activities

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Net cash flows (used in) provided by investing activities from continuing operations	\$ (518)	\$ 582

Our investing activities primarily include capital expenditures, cash investments in customer financing assets, investments/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 \$1.1 billion change in cash flows (used in) provided by investing activities from continuing operations in the quarter ended March 31, 2022 compared to March 31, 2021 primarily relates to the absence of the prior year sale of our Forcepoint business described below.

Capital expenditures in the quarter ended March 31, 2022 increased by \$52 million from the quarter ended March 31, 2021 primarily due to investments in production facilities at Pratt & Whitney.

Dispositions of businesses in the quarter ended March 31, 2021 were \$1.0 billion primarily related to the sale of our Forcepoint business. For additional detail, see "Note 2: Acquisitions, Dispositions, Goodwill and Intangible Assets" within Item 1 of this Form 10-Q.

Customer financing assets payments, net were \$19 million and \$81 million in quarters ended March 31, 2022 and 2021, respectively, and include purchases and sales of engines in our leased asset pool as well as customer financing. The decrease in customer financing assets payments, net was primarily due to the absence of a prior year sale and leaseback transaction for the sale of equipment.

During the quarters ended March 31, 2022 and 2021, we increased our collaboration intangible assets by \$50 million and \$32 million, respectively, which primarily relates to payments made under our 2012 agreement to acquire Rolls-Royce's collaboration interests in International Aero Engines AG (IAE).

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 quarters ended March 31, 2022 and 2021, we had net cash payments of \$33 million and receipts of \$49 million, respectively, from the settlement of these derivative instruments not designated as hedging instruments.

Cash Flow - Financing Activities

<i>(dollars in millions)</i>	Quarter Ended March 31,	
	2022	2021
Net cash flows used in financing activities from continuing operations	\$ (1,745)	\$ (1,544)

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

Financing activities were a cash outflow of \$1.7 billion in the quarter ended March 31, 2022 compared to a cash outflow of \$1.5 billion in the quarter ended March 31, 2021. This change was driven by an increase in share repurchases of \$0.4 billion and an increase in taxes paid on employee stock awards of \$0.1 billion, partially offset by the absence of the prior year repayment of long-term debt of \$0.3 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 repayments.

At March 31, 2022, management had remaining authority to repurchase approximately \$5.2 billion of our common stock under the December 7, 2021 share repurchase program. Under this 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 from time to time 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>	Quarter Ended March 31,			
	2022		2021	
	\$	Shares	\$	Shares
Shares of Common Stock repurchased ⁽¹⁾	\$ 743	7,758	\$ 375	5,197

(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>	Quarter Ended March 31,	
	2022	2021
Dividends paid per share of Common Stock	\$ 0.510	\$ 0.475
Total dividends paid	\$ 745	\$ 705

On April 25, 2022, the Board of Directors declared a dividend of \$0.55 per share payable June 16, 2022 to shareowners of record at the close of business on May 20, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no significant change in our exposure to market risk during the quarter ended March 31, 2022. For discussion of our exposure to market risk, refer to Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” contained in our 2021 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 President and 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 March 31, 2022. 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 March 31, 2022, 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 March 31, 2022 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,” “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, tax payments and rates, research and development spending, costs savings, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, and other statements that 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, fluctuations in commodity prices, 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 or the allocation of funds to governmental responses to the coronavirus disease 2019 (COVID-19) pandemic, a continuing resolution, a government shutdown, or otherwise, and uncertain funding of programs;
- challenges in the development, production, delivery, and support of Raytheon Technologies Corporation (RTC) advanced technologies and new products and services, as well as the challenges of operating in RTC’s highly-competitive industries;
- the effect of and risks relating to COVID-19 on RTC’s business, supply chain, operations and the industries in which it operates, including the decrease in global air travel, and the timing and extent of the recovery from COVID-19;
- risks relating to RTC 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;
- risks relating to RTC’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 RTC or its suppliers and price increases;
- 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;
- 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 RTC 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 or otherwise;
- factors that could impact RTC’s ability to engage in desirable capital-raising or strategic transactions, including its capital structure, levels of indebtedness, capital expenditures and research and development spending, and the availability of credit, credit market conditions and other factors;
- uncertainties associated with the timing and scope of future repurchases by RTC of its common stock 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 RTC strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives;
- risks relating to the integration of the legacy businesses of United Technologies Corporation (UTC) and Raytheon Company in connection with the Raytheon merger, and the realization of the anticipated benefits of those transactions;
- risks of additional tax exposures due to new tax legislation or other developments in the U.S. and other countries in which RTC and its businesses operate;

- the ability of RTC 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 a RTC product safety failure or other failure affecting RTC's or its customers' or suppliers' products or systems;
- risks relating to cyber-attacks on RTC's information technology infrastructure, products, suppliers, customers and partners, threats to RTC facilities and personnel, as well as other events outside of RTC'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 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 "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," "Critical Accounting Estimates," and "Governmental Matters." 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.

Except as otherwise noted, 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 2021 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 2021 Annual Report on Form 10-K (2021 Form 10-K). There have been no material changes from the factors disclosed in our 2021 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).

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 March 31, 2022.

2022	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)
January 1 - January 31	1,217	\$ 88.49	1,217	\$ 5,852
February 1 - February 28	3,196	94.87	3,196	5,549
March 1 - March 31	3,470	99.46	3,470	5,204
Total	7,883	\$ 95.91	7,883	

On December 7, 2021, our Board of Directors authorized a share repurchase program for up to \$6 billion of our common stock, replacing the previous program announced on December 7, 2020. Under this 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 from time to time 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 program during the quarter ended March 31, 2022.

Item 6. Exhibits

Exhibit Number	Exhibit Description
10.1	Schedule of Terms for restricted stock unit awards relating to the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated (referred to in Exhibit 10.22 to the Company's Annual Report on Form 10-K (Commission file number 1-812) for the fiscal year ended December 31, 2021).*
10.2	Schedule of Terms for performance share unit awards relating to the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated (referred to in Exhibit 10.22 to the Company's Annual Report on Form 10-K (Commission file number 1-812) for the fiscal year ended December 31, 2021).*
10.3	Schedule of Terms for stock appreciation right awards relating to the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated (referred to in Exhibit 10.22 to the Company's Annual Report on Form 10-K (Commission file number 1-812) for the fiscal year ended December 31, 2021).*
10.4	Schedule of Terms for stock option awards relating to the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated (referred to in Exhibit 10.22 to the Company's Annual Report on Form 10-K (Commission file number 1-812) for the fiscal year ended December 31, 2021).*
10.5	Raytheon Technologies Corporation Executive Severance Plan, effective April 4, 2022.*
10.6	Consulting Agreement, dated as of April 1, 2022, by and between Raytheon Technologies Corporation and Michael R. Dumais.*
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.

Attached as Exhibit 101 to this report are the following formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statement of Operations for the quarters ended March 31, 2022 and 2021, (ii) Condensed Consolidated Statement of Comprehensive Income for the quarters ended March 31, 2022 and 2021, (iii) Condensed Consolidated Balance Sheet as of March 31, 2022 and December 31, 2021, (iv) Condensed Consolidated Statement of Cash Flows for the quarters ended March 31, 2022 and 2021, (v) Condensed Consolidated Statement of Changes in Equity for the quarters ended March 31, 2022 and 2021 and (vi) Notes to Condensed Consolidated Financial Statements.

**Raytheon Technologies Corporation
2018 Long-Term Incentive Plan**

Restricted Stock Unit Award
Schedule of Terms

(Rev. February 2022)

This Schedule of Terms describes the material features of the Participant's Restricted Stock Unit Award (the "RSU Award" or the "Award") granted under the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated effective April 26, 2021 (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available at www.ubs.com/onesource/rtx.

Certain Definitions

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

Acknowledgement and Acceptance of Award

The number of RSUs awarded is set forth in the Award Agreement. An LTIP Award recipient (a "Participant") must affirmatively acknowledge and accept the terms and conditions of the RSU Award within 150 days following the Grant Date. A failure to acknowledge and accept the RSU Award subject to the LTIP and this Schedule of Terms, within such 150-day period may result in forfeiture of the RSU Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this RSU Award electronically via the UBS *One Source* website at www.ubs.com/onesource/rtx. Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this RSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator. These countries currently include Russia, Turkey, Hungary, and Slovenia.

Dividends

RSUs granted under this Award will earn dividend equivalent units each time the Corporation pays a cash dividend to Common Stock shareholders of record. Dividend equivalents will be credited as additional RSUs to Awards outstanding on the dividend payment date and will vest on the same date as the underlying RSUs. The number of additional RSUs that will be credited on any dividend payment date will equal (1) the per share cash dividend amount, multiplied by (2) the number of RSUs subject to the RSU Award (including RSUs resulting from prior dividend equivalents), divided by (3) the Fair Market Value of a share of Common Stock on the dividend payment date, rounded down to the nearest whole number of RSUs.

Vesting

RSUs will vest in accordance with the schedule set forth in the Award Agreement, subject to the Participant's continued employment with the Company through each applicable vesting date.

RSUs will be forfeited in the event of Termination of Service prior to the vesting date, except in certain earlier terminations involving Retirement, Involuntary Termination (Not for Cause), Disability, Change-in-Control Termination, or Death (see “Termination of Service” below).

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

No Shareowner Rights

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

Payment / Conversion of RSUs

Vested RSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following the vesting date. RSUs may instead be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

Termination of Service

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

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

Retirement. If the Participant’s termination results from Retirement, unvested RSUs held for at least one year as of the Termination Date will vest and convert into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable thereafter. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- “Normal Retirement” means retirement on or after age 65;
- “Early Retirement” means retirement on or after:
 - Age 55 with 10 or more years of continuous service as of the Termination Date; or
 - Age 50, but before age 55, and the Participant’s age and continuous service as of the Termination Date adds up to 65 or more (“Rule of 65”).

Service used to determine eligibility for Normal or Early Retirement means “Continuous Service” as defined under the UTC Savings Plan. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

A Participant will not receive Retirement treatment with respect to any Award in the event of involuntary termination by the Company for Cause.

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

Involuntary Termination. If the Participant's termination results from an involuntary termination by the Company for reasons other than Cause, unvested RSUs held for at least one year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Company with a release of claims against the Company in a form and manner satisfactory to the Company. The pro-rata vesting of an RSU Award held for at least one year will be based on the number of months worked during the vesting period, including partial months, relative to the full vesting period. RSUs not vested under this pro-rata vesting formula will be forfeited as of the Termination Date.

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

Pro-rata vesting will occur for involuntary terminations resulting from workforce reductions, location closings, restructurings, layoffs, or similar events, as determined by the Committee or its delegate.

Retirement eligible Participants will vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below. A Participant who is involuntarily terminated for Cause is not eligible for pro-rata vesting of Awards.

Voluntary Termination. A Participant who voluntarily terminates employment (other than for Retirement or a Change-in-Control Termination) is not entitled to pro-rata vesting and will forfeit all unvested RSUs.

Disability. If a Participant incurs a Disability (as defined in the LTIP), unvested RSUs will not be forfeited while a Participant remains disabled under a Company sponsored long-term disability plan. Unvested RSUs will remain eligible to vest on the earlier of (i) the vesting date specified in the Award Agreement; or (ii) 29 months following the date a Participant incurs a Disability.

Death. If a Participant dies while actively employed by the Company, or on Disability, all RSUs will vest as of the date of death and be converted to shares of Common Stock to be delivered to the Participant's estate, net of taxes (where applicable), as soon as administratively practicable.

Change-in-Control Termination. If a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested RSUs will vest as of the Termination Date and be converted into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively

practicable after the Termination Date, subject to the six-month delay noted below under “Specified Employees”, if applicable.

Specified Employees. If a Participant is a “specified employee” within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Company) at the time of the Participant’s Termination of Service, and the RSUs will vest by reason of such Participant’s Termination of Service, then, to the extent necessary to avoid the application of any additional tax or penalty under IRC Section 409A and consistent with the terms of the Plan, RSUs will be held in the Participant’s UBS account (dividend equivalent eligible) and will vest on the first day of the seventh month following the Termination Date. Upon vest, RSUs will convert into an equal number of shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable. The value of the RSUs will be determined as of the vest date.

Forfeiture of Award and Repayment of Realized Gains

RSU Awards, including common stock delivered for vested RSUs, are subject to the Raytheon Technologies Corporation Clawback Policy, as amended from time to time, available on www.rtx.com. RSUs will be immediately forfeited, and a Participant may be obligated to repay to the Company the value realized from previously vested RSUs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) Within three-years following a Participant’s Termination Date, the Committee determines that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause;
- (iii) A restatement of financial results attributable to a Participant’s actions, whether intentional or negligent.
- (iv) Within twenty-four months following the Termination Date, the Participant:
 - (A) Solicits a Company employee, or individual who had been a Company employee within the previous three months, for an opportunity outside of the Company; or
 - (B) Publicly disparages the Company, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Company or such individuals; or
- (v) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

(vi) Negligent conduct injurious to the Company, including negligent supervision of a subordinate whose action requires a restatement of financial results, or other significant harm to the Company as determined by the Committee.

In addition, the Committee reserves the right to require repayment of all or any portion of an RSU Award under item (iii) above, without regard to whether a restatement is attributable to the Participant's actions, as appropriate and determined at the Committee's sole discretion.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants. Further details concerning the forfeiture of awards and the obligation to repay gains realized from LTIP awards are set forth in Section 14(i) of the LTIP, available at www.ubs.com/onesource/rtx, and the Raytheon Technologies Corporation Clawback Policy, available on www.rtx.com.

Adjustments

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

Further information concerning capital adjustments is set forth in Section 3(e) of the LTIP, available at www.ubs.com/onesource/rtx.

Change-in-Control

In the event of a Change-in-Control or restructuring of the Company, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, which can be located at www.ubs.com/onesource/rtx.

Awards Not to Affect Certain Transactions

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

Taxes / Withholding

The Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The Fair Market Value of Common Stock on the New York Stock Exchange on the date the taxable event occurs will be used to calculate taxable income realized from the RSUs. The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award. The Company shall have the right to deduct directly from RSUs, any payment or delivery of shares due to a Participant or from Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the vesting of any RSU, or in advance of vesting, for retirement eligible Participants to comply with FICA tax requirements. Acceptance of an Award constitutes affirmative consent by Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

If the Participant is a Section 16 officer of the Company under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the Company shall satisfy the Participant's withholding obligation as follows: (i) with respect to FICA taxes due and owing prior to the vesting of the RSU Award, the Company shall satisfy the withholding obligation by deducting from the Participant's regular compensation through payroll withholding; and (ii) with respect to any other Tax-Related Items, the Company shall satisfy the withholding obligation by withholding shares of Common Stock subject to the RSU Award having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). Provided for both items (i) and (ii) above, the Committee retains the right to determine an alternative method of withholding for the Participant, at its sole discretion, provided in all cases, such determination shall be made by the Committee prior to the Tax-Related Items withholding event.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at www.ubs.com/onesource/rtx.

Nonassignability

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any RSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

Nature of Payments

All Awards made pursuant to the LTIP are in consideration of services performed for the Company. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

Right of Discharge Reserved

Nothing in the LTIP or in any RSU Award shall confer upon any Participant the right to continued employment or service for any period of time or affect any right that the Company may have to terminate the employment of any Participant at any time for any reason.

Administration

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Human Capital & Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer, the Chief Human Resources Officer and the Corporate Vice President, Total Rewards (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Company who are covered under Section 16 of the Securities Exchange Act of 1934, as amended. Awards to these employees will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegates on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

Data Privacy

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Company and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

Company Compliance Policies

Participants must comply with the Company's Code of Conduct and Company policies and procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Conduct and Company policies are available online at <http://epolicy.corp.ray.com/epolicy/>.

Interpretations

This Schedule of Terms provides a summary of terms applicable to the RSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, available at www.ubs.com/onesource/rtx. In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

Governing Law

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Additional Information

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

Stock Plan Administrator

rtxstockadmin@rtx.com

OR

Raytheon Technologies Corporation
Attn: Stock Plan Administrator
4 Farm Springs Road
Farmington, CT 06032

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

**Raytheon Technologies Corporation
2018 Long-Term Incentive Plan**

Performance Share Unit Award
Schedule of Terms

(Rev. February 2022)

This Schedule of Terms describes the material features of the Participant's Performance Share Unit Award (the "PSU Award" or the "Award") granted under the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated effective April 26, 2021 (the "LTIP"), subject to this Schedule of Terms, the Award Agreement and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available on at www.ubs.com/onesource/RTX.

Certain Definitions

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

Acknowledgement and Acceptance of Award

The number of PSUs awarded is set forth in the Award Agreement. An LTIP Award recipient (a "Participant") must affirmatively acknowledge and accept the terms and conditions of the PSU Award within 150 days following the Grant Date. A failure to acknowledge and accept the PSU Award subject to the LTIP and this Schedule of Terms, within such 150-day period will result in forfeiture of the PSU Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this PSU Award electronically via the UBS *One Source* website at www.ubs.com/onesource/rtx. Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this PSU Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator. These countries currently include Russia, Turkey, Hungary, and Slovenia.

Vesting

PSU Awards will vest in accordance with the schedule set forth in the Award Agreement, subject to performance relative to pre-established Performance Goals, and the Participant's continued employment with the Company through the applicable performance measurement period, and vesting date. Potential Performance Goals are provided in the LTIP. PSU Awards may be subject to multiple Performance Goals. The Award Agreement will specify the performance period and vesting date. **Please refer to Appendix A for actual Performance Goals for the 2022-2024 performance cycle, including minimum performance required for vesting, range of vesting and relative weighting for each Performance Goal.**

2022 Performance Goals include: (i) diluted earnings per share ("EPS"); (ii) return on invested capital ("ROIC"); (iii) total shareholder return ("TSR") relative to the companies within the S&P 500 Index; and (iv) TSR relative to nine aerospace and defense companies (i.e., Honeywell, Boeing, General Electric, Lockheed Martin, Airbus, Northrop Grumman, General Dynamics, L3Harris and Safran) (the "A&D peer companies"). For 2022, all Performance Goals will be

measured over a three-year performance period of the Award (as discussed below); however, PSU Awards will not vest until the completion of the three-year performance period, following the Committee's certification of performance results.

The 2022 PSU Award will include a three-year compound annual growth rate EPS goal. EPS is net income from continuing operations divided by weighted average diluted shares outstanding, subject to adjustments for restructuring, non-recurring and other significant, defined non-operational items and acquisition/divestiture accounting. The Committee may adjust the EPS calculation (positively or negatively) to exclude the impact of certain items unrelated to operational performance. Such adjustment may be made when necessary to maintain the validity of the Performance Goal, as originally established.

The 2022 PSU Award will measure TSR over the three-year performance period of the Award. TSR is the percentage change in share price over the cumulative three-year performance period (plus reinvested dividends) divided by the share price at the beginning of the performance period. TSR is calculated using the trailing November/December average adjusted closing share price prior to and at the end of the three-year period, as calculated by Standard & Poor's. If relative TSR is negative for the three-year performance period, the TSR payout percentage for that metric may not exceed 100% of target, even if relative performance exceeds the target-level Performance Goal. Relative TSR is the rank of RTX's three-year TSR versus: (i) the companies within the S&P 500 Index at the beginning of the three-year performance period; and (ii) the A&D peer companies. To the extent that such companies are acquired, delist from a stock exchange, or in the case of the S&P 500, companies are removed from the S&P 500 Index during the performance period, these companies will be excluded from the relative ranking calculation.

The 2022 PSU Award will include a three-year ROIC goal measured on an average quarterly basis over the three-year performance period of the Award. ROIC is the ratio of net operating profit after tax ("NOPAT") to Invested Capital (total debt less cash plus equity), subject to certain adjustments as detailed below. NOPAT excludes non-controlling interest, non-service pension, acquisitions and divestiture earnings, one-timers, restructuring, material one-time tax charges and the impact of foreign exchange fluctuations. Invested Capital excludes accumulated other comprehensive income, cash and equivalents, acquisition and divestiture borrowings, short-term borrowings and material one-time tax charges. ROIC is based on continuing operations and subject to adjustment for the impact of restructuring charges and other significant non-operational, and non-recurring items when necessary to maintain the validity of the Performance Goal, as originally established.

In the case that that value of the PSU award at vesting is greater than 400% of the value of the PSU award at grant, the performance results shall be reduced so that the value delivered to participants will be no greater than 400% of the grant value. The value of the PSU award at grant is equal to the number of PSUs at target level performance granted to a participant multiplied by the closing stock price of RTX on the grant date. The value of the PSU award at vest is equal to the product of: (i) the number of the PSUs at target level performance granted to a participant; (ii) the Performance Factor certified by the Committee; and (iii) the closing stock price of RTX on the vesting date.

PSUs will be forfeited in the event of a Termination of Service prior to the vesting date, except in certain earlier terminations involving Retirement, Involuntary Termination (Not for Cause), Disability, Change-in-Control Termination or Death (see "Termination of Service" below).

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

No Shareowner Rights

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

Payment / Conversion of PSUs

Vested PSUs will be converted into shares of Common Stock to be delivered to the Participant as soon as administratively practicable following the vesting date and, when the Committee determines if, and to what extent, PSUs have vested as a result of the achievement of Performance Goals. If Performance Goals are not met, the PSUs that do not vest will be cancelled without value. PSUs may be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

Termination of Service

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

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

Retirement. If the Participant’s termination results from Retirement, unvested PSUs held for at least one year as of the Termination Date will remain outstanding and eligible to vest on the originally scheduled vest date, if and to the extent the Committee determines that Performance Goals have been achieved. Upon vest, PSUs will be converted into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable thereafter. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- “Normal Retirement” means retirement on or after age 65;
- “Early Retirement” means retirement on or after:
 - Age 55 with 10 or more years of continuous service as of the Termination Date; or
 - Age 50, but before age 55, and the Participant’s age and continuous service as of the Termination Date adds up to 65 or more (“Rule of 65”).

Service used to determine eligibility for Normal or Early Retirement means “Continuous Service” as defined under the UTC Savings Plan. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

A Participant will not receive Retirement treatment with respect to any Award in the event of involuntary termination by the Company for Cause.

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

Involuntary Termination. If the Participant’s termination results from an involuntary termination by the Company for reasons other than Cause, unvested PSUs held for at least one year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Company with a release of claims against the Company in a form and manner satisfactory to the Company. The pro-rata vesting of a PSU Award held for at least one year will be based on the number of months worked during the vesting period, including partial months, relative to the full vesting period. The pro-rata PSUs will remain outstanding and eligible to vest on the originally scheduled vest date, following the Committee’s certification of performance results, per the terms of the Award. PSUs not deemed eligible to vest under this pro-rata vesting formula will be forfeited as of the Termination Date.

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

Pro-rata vesting eligibility will occur for involuntary terminations resulting from workforce reductions, location closings, restructurings, layoffs, or similar events, as determined by the Committee or its delegate.

Retirement eligible Participants will be eligible to vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below. A Participant who is involuntarily terminated for Cause is not eligible for pro-rata vesting of Awards.

Voluntary Termination. A Participant who voluntarily terminates employment (other than for Retirement or a Change-in-Control Termination) is not entitled to pro-rata vesting and will forfeit all unvested PSUs.

Disability. If a Participant incurs a Disability (as defined in the LTIP), unvested PSUs will not be forfeited while a Participant remains disabled under a Company-sponsored long-term disability plan. Unvested PSUs will remain eligible to vest on the earlier of (1) the vesting date specified in the Award Agreement; or (2) 29 months following the date a Participant incurs a Disability.

Death. If a Participant dies while actively employed by the Company, or on Disability, all PSUs will vest as of the date of death and be converted (at target performance) to shares of Common Stock to be delivered to the Participant’s estate, net of taxes (where applicable), as soon as administratively practicable.

Change-in-Control Termination. If a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason", in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all PSUs will vest at the greater of: (1) the applicable target level performance as of the Termination Date; or (2) 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) and be converted into shares of Common Stock (or cash) to be delivered to the Participant as soon as administratively practicable after the Termination Date, subject to the six-month delay noted below under "Specified Employees," if applicable.

Specified Employees. If a Participant is a "specified employee" within the meaning of Section 409A of the Code (i.e., generally the fifty highest paid employees, as determined by the Company) at the time of the Participant's Termination of Service, and PSUs are accelerated and will vest by reason of such Participant's Termination of Service (e.g., Change-in-Control Termination), then, to the extent necessary to avoid the application of any additional tax or penalty under IRC Section 409A and consistent with the terms of the Plan, PSUs will be held in the Participant's UBS account and will vest on the first day of the seventh month following the Participant's Termination Date. Upon vest, PSUs will convert into an equal number of shares of Common Stock (or cash). The value of the PSUs will be determined as of the vest date.

Forfeiture of Award and Repayment of Realized Gains

PSU Awards, including common stock delivered for vested PSUs, are subject to the Raytheon Technologies Corporation Clawback Policy, as amended from time to time, available at www.rtx.com. PSUs will be immediately forfeited and a Participant may be obligated to repay to the Company the value realized from previously vested PSUs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) The Committee determines that Award vesting was based on incorrect performance measurement calculations. In such event, vesting (and recoupment, if applicable) will be adjusted consistent with the actual corrected results;
- (iii) Within three-years following a Participant's Termination Date, the Committee determines that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause;
- (iv) A restatement of financial results attributable to a Participant's actions, whether intentional or negligent.
- (v) Within twenty-four months following a Participant's Termination Date, the Participant:
 - (A) Solicits a Company employee, or individual who had been a Company employee within the previous three months, for an opportunity outside of the Company; or

(B) Publicly disparages the Company, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Company or such individuals; or

(vi) At any time during the twelve-month period following a Participant's Termination Date: (i) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (ii) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

(vii) Negligent conduct injurious to the Company, including negligent supervision of a subordinate whose action requires a restatement of financial results, or other significant harm to the Company as determined by the Committee.

In addition, the Committee reserves the right to require repayment of all or any portion of a PSU Award under item (iv) above, without regard to whether a restatement is attributable to the Participant's actions, as appropriate and determined at the Committee's sole discretion.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants. Further details concerning the forfeiture of awards and the obligation to repay gains realized from LTIP awards are set forth in Section 14(i) of the LTIP, available at www.ubs.com/onesource/rtx, and the Raytheon Technologies Corporation Clawback Policy, available at www.rtx.com.

Adjustments

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

Further information concerning capital adjustments is set forth in Section 3(e) of the LTIP, available at www.ubs.com/onesource/rtx.

Change-in-Control

In the event of a Change-in-Control or restructuring of the Company, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards or

Performance Goals, as the Committee may deem appropriate. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, available at www.ubs.com/onesource/rtx.

Awards Not to Affect Certain Transactions

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

Taxes / Withholding

The Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The Fair Market Value of Common Stock on the New York Stock Exchange on the date the taxable event occurs will be used to calculate taxable income realized from the PSUs. The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award. The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the vesting of any PSU. Acceptance of an Award constitutes affirmative consent by Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if the Participant fails to comply with his or her obligations in connection with Tax-Related Items.

If the Participant is a Section 16 officer of the Company under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the Company shall satisfy the Participant's withholding obligation as follows: (i) with respect to FICA taxes due and owing prior the vesting of the PSU Award, the Company shall satisfy the withholding obligation by deducting from the Participant's regular compensation through payroll withholding; and (ii) with respect to any other Tax-Related Items, the Company shall satisfy the withholding obligation by withholding shares of Common Stock subject to the PSU Award having a Fair Market Value on the date of withholding equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). Provided for both items (i) and (ii) above, the Committee retains the right to determine an alternative method of withholding for the Participant, at its sole discretion, provided in all cases, such determination shall be made by the Committee prior to the Tax-Related Items withholding event.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at www.ubs.comonesource/rtx.

Deferral of Gain (U.S. based executives)

A Participant who is qualified to participate in the Company's LTIP Award Deferral Plan may irrevocably elect to defer the conversion of vested PSUs into shares of Common Stock to a date that is at least five years after the scheduled vesting date. The election to defer the conversion of shares must be made no later than the end of the second year of the performance measurement period, or such earlier date as may be specified by the Committee. Vested PSUs subject to a deferral election will be converted to unfunded deferred share units ("DSUs") that will convert into shares of Common Stock on the distribution date as specified in the deferral election and the LTIP Award Deferral Plan. DSUs will be credited with dividend equivalents, which will be deferred and invested in additional DSUs. Under U.S. income tax law, a Participant will generally not be taxed until the DSUs are converted to shares of Common Stock and distributed. DSUs will not be funded by the Company. In this regard, a Participant's rights to DSUs are those of a general unsecured creditor of the Company. Details of the deferral of PSUs into DSUs will be provided with election materials. The opportunity to make such an election is subject to the discretion of the Committee and changes in Federal tax law. The Committee reserves the right to determine whether a deferral election will be offered to Participants with respect to an annual award of PSUs, and to discontinue offering PSU deferral elections at any time for any reason it deems appropriate in its sole discretion.

Nonassignability

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any PSU Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

Nature of Payments

All Awards made pursuant to the LTIP are in consideration of services performed for the Company. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

Right of Discharge Reserved

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

Administration

The Board of Directors of the Corporation has delegated the administration and interpretation of the awards granted pursuant to the LTIP to the Human Capital & Compensation Committee. The Committee establishes such procedures, as it deems necessary and appropriate to

administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer, the Chief Human Resources Officer, the Corporate Vice President, Total Rewards (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Company who are covered under Section 16 of the Securities Exchange Act of 1934, as amended. Awards to these employees will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegate on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

Data Privacy

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Company and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

Company Compliance Policies

Participants must comply with the Company's Code of Conduct and Company policies and procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Conduct and Company policies are available online at <http://epolicy.corp.ray.com/epolicy/>.

Interpretations

This Schedule of Terms provides a summary of terms applicable to the PSU Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, available at www.ubs.com/onesource/rtx. In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

Governing Law

The LTIP, this Schedule of Terms and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Additional Information

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

Stock Plan Administrator

rtxstockadmin@rtx.com

OR

Raytheon Technologies Corporation
Attn: Stock Plan Administrator
4 Farm Springs Road
Farmington, CT 06032

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

Appendix A: 2022 PSU Performance Goals

The table below illustrates the Performance Goals for the 2022-2024 performance cycle.

Threshold, target and maximum Performance Goals each have a corresponding payout percentage, and each metric is measured and funded independently. Performance below the threshold level will result in 0% payout, while performance above the maximum level cannot exceed the maximum payout level. Performance that falls between the threshold, target and maximum levels will result in a payout that is interpolated between the applicable levels.

The final Performance Factor will be based on the Company's actual achievement against these Performance Goals at the conclusion of the award's performance cycle and will equal the sum of the four payout percentages after weighting is applied.

Metric	Weight	Performance Goals			Payout (as a % of target)		
		Threshold	Target	Maximum	Threshold	Target	Maximum
Adjusted EPS ⁽¹⁾	35%	8.1%	14.1%	17.9%	25%	100%	200%
ROIC ⁽¹⁾	35%	6.1%	7.1%	7.8%	25%	100%	200%
TSR vs. S&P 500 companies ⁽²⁾	15%	25 th percentile	50 th percentile	75 th percentile	25%	100%	200%
TSR vs. A&D peers ⁽²⁾	15%	25 th percentile	50 th percentile	75 th percentile	25%	100%	200%

(1) Measurement period: January 1, 2022 through December 31, 2024

(2) Measurement period: January 1, 2022 through December 31, 2024, calculated using the November/December average adjusted stock price prior to and at the end of the performance measurement period.

**Raytheon Technologies Corporation
2018 Long-Term Incentive Plan**

Stock Appreciation Right Award
Schedule of Terms

(Rev. February 2022)

This Schedule of Terms describes the material features of the Participant's Stock Appreciation Right Award (the "SAR Award" or the "Award") granted under the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated effective April 26, 2021 (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available at www.ubs.com/onesource/rtx.

Certain Definitions

A Stock Appreciation Right (a "SAR") represents the right to receive the appreciation in one share of Common Stock of Raytheon Technologies Corporation (the "Common Stock") measured from the date of grant to the date of exercise. The appreciation, upon exercise, is generally paid to the Participant in the form of shares of Common Stock. SARs are generally exercisable if the Participant remains employed by the Company through the applicable vesting date schedule set forth on the Award Agreement (see "Vesting" below), or upon an earlier Termination of Service under limited circumstances that result in accelerated vesting (see "Termination of Service" below). "Company" means Raytheon Technologies Corporation (the "Corporation" or "RTX"), together with its subsidiaries, divisions and affiliates. "Termination Date" means the date a Participant's employment ends, or, if different, the date a Participant ceases providing services to the Company as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to "Termination of Service" as defined in the LTIP. "Committee" means the Human Capital & Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

Acknowledgement and Acceptance of Award

The number of SARs awarded and the SAR grant price are set forth in the Award Agreement. An LTIP Award recipient (a "Participant") must affirmatively acknowledge and accept the terms and conditions of the SAR Award within 150 days following the Grant Date. A failure to acknowledge and accept the SAR Award subject to the LTIP and this Schedule of Terms, within such 150-day period may result in forfeiture of the SAR Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this SAR Award electronically via the UBS *One Source* website at www.ubs.com/onesource/rtx. Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this SAR Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator. These countries currently include Russia, Turkey, Hungary, and Slovenia.

Exercise Price (or "Grant Price")

The Grant Price represents the Fair Market Value of the Corporation's Common Stock on the date of grant. "Fair Market Value" means, as of any given date, the closing price of the Common Stock on the New York Stock Exchange.

Vesting and Expiration

SARs will vest and expire (if unexercised) in accordance with the schedule set forth in the Award Agreement, subject to the Participant's continued employment with the Company through each applicable vesting date. SARs will be forfeited in the event of Termination of Service prior to the vesting date, except in certain earlier terminations involving Retirement, Involuntary Termination (Not for Cause), Disability, Change-in-Control Termination, or Death (see "Termination of Service" below).

SARs may be exercised on or after the vesting date until the earlier of the:

- (i) Expiration date specified in the Award Agreement, at which time the SARs and all associated rights lapse; or
- (ii) Last day permitted on or following Termination of Service as specified in “Termination of Service” below.

SARs may also be forfeited, and value realized from exercised SARs may be recouped by the Company under certain circumstances (see “Forfeiture of Award and Repayment of Realized Gains” below).

No Shareowner Rights

A SAR is the right to receive the appreciation in a share of Common Stock, subject to continued employment and certain other conditions. The holder of a SAR has no voting, dividend, or other rights accorded to owners of Common Stock, unless and until SARs are exercised and settled in Common Stock.

Exercise and Payment

While a Participant is employed by the Company, the Participant may exercise SARs on or after the vesting date until the expiration date. The value a Participant will realize upon the exercise of a SAR is the difference between the price of the Common Stock at the time of exercise and the Grant Price. The Participant will generally receive shares of Common Stock as soon as administratively practicable following exercise. The value of the SARs may instead be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

It is the responsibility of the Participant, or a designated representative, to track the expiration of the Award and exercise SARs in a timely manner. The Company assumes no responsibility for, and will make no adjustments with respect to, SARs that expire unexercised. Any communication from the Company to the Participant with respect to expiration is provided as a courtesy only.

Termination of Service

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

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

Retirement. If the Participant’s termination results from Retirement, unvested SARs held for at least one year as of the Termination Date will vest and become exercisable. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- “Normal Retirement” means retirement on or after age 65;
- “Early Retirement” means retirement on or after:
 - Age 55 with 10 or more years of continuous service as of the Termination Date; or
 - Age 50, but before age 55, and the Participant’s age and continuous service as of the Termination Date adds up to 65 or more (“Rule of 65”).

Upon Retirement, vested SARs may be exercised as detailed in the chart below:

Retirement Type	Company Consents to Early Retirement *	Exercise Period
Normal Retirement (age 65)	N/A	SARs may be exercised until the expiration of their term
Early Retirement on or after age 55 + 10 years of continuous service as of the Termination Date	Yes	SARs may be exercised until the expiration of their term
	No	SARs may be exercised for three (3) years following the Termination Date or until the expiration of the SAR, whichever is earlier
Early Retirement on or after age 50, but prior to age 55 + years of service = 65+ as of the Termination Date	Yes	SARs may be exercised for five (5) years following the Termination Date or until the expiration of the SAR, whichever is earlier
	No	SARs may be exercised for three (3) years following the Termination Date or until the expiration of the SAR, whichever is earlier
* The Company’s consent to the Participant’s Retirement will be at the sole discretion of the Company based on its ability to effectively transition the Participant’s responsibilities as of the Termination Date and such other factors as it may deem appropriate.		

Service used to determine eligibility for Normal or Early Retirement means “Continuous Service” as defined under the UTC Savings Plan. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

A Participant will not receive Retirement treatment with respect to any Award in the event of involuntary termination by the Company for Cause.

Involuntary Termination for Cause. If the Participant’s termination results from an involuntary termination by the Company for Cause (as defined in the LTIP), both vested and unvested SARs will

be forfeited as of the Termination Date regardless of the Participant's Retirement eligibility. In addition, value realized from previously exercised SARs may be subject to repayment in the event of termination for Cause or certain other occurrences (see "Forfeiture of Award and Repayment of Realized Gains" below).

Involuntary Termination. If the Participant's termination results from an involuntary termination by the Company for reasons other than Cause, unvested SARs held for at least one year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Company with a release of claims against the Company in a form and manner satisfactory to the Company. The pro-rata vesting of a SAR Award held for at least one year will be based on the number of months worked during the vesting period, including partial months, relative to the full vesting period. SARs not vested under this pro-rata vesting formula will be forfeited as of the Termination Date.

Upon involuntary termination for reasons other than Cause, vested SARs may be exercised for one (1) year following the Termination Date or until the expiration of the SAR, whichever is earlier. Unexercised SARs will expire without value at the close of the NYSE on the first anniversary of the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the SARs will be cancelled at the end of the last trading day prior to such date.

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

Pro-rata vesting will occur for involuntary terminations resulting from workforce reductions, location closings, restructurings, layoffs, or similar events, as determined by the Committee or its delegate.

Retirement eligible Participants will vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below. A Participant who is involuntarily terminated for Cause is not eligible for pro-rata vesting of Awards.

Voluntary Termination. A Participant who voluntarily terminates employment (other than for Retirement or a Change-in-Control Termination) is not entitled to pro-rata vesting and will forfeit all unvested SARs. Vested SARs may be exercised for up to ninety (90) days from the Termination Date or until the expiration of the SAR (if earlier). Unexercised SARs will expire without value at the close of the NYSE on the ninetieth (90th) day following the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the SARs will be cancelled at the end of the last trading day prior to the 90th day.

Disability. If a Participant incurs a Disability (as defined in the LTIP), vested SARs may be exercised for up to three (3) years from the Termination Date (or until the expiration of the SAR, if earlier). While a Participant remains disabled under a Company sponsored long-term disability plan, unvested SARs will remain eligible to vest on the earlier of (i) the vesting date specified in the Award Agreement; or (ii) 29 months following the date a Participant incurs a Disability and may then be exercised for three (3) years following the vesting date.

Death. If a Participant dies while actively employed by the Company, or on Disability, all unvested SARs will vest as of the date of death and become exercisable. A Participant's estate will have three (3) years from the date of death (or until the expiration of the SAR, if earlier) to exercise all outstanding SARs, provided however, that if a SAR expires prior to the expiration of the three-year extension period, the SAR will be deemed to be exercised by the Participant's estate as of the SAR expiration date with net proceeds (where applicable) held for distribution to the estate.

Different tax rules may apply when the estate or heir exercises the deceased Participant's SARs. A personal tax or financial advisor should be consulted under this scenario.

Change-in-Control Termination. If a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested SARs will vest and become exercisable as of the Termination Date and all vested SARs will be exercisable until the third anniversary of the Termination Date (or until the expiration of the SAR, if earlier).

Forfeiture of Award and Repayment of Realized Gains

SAR Awards, including common stock delivered for exercised SARs, are subject to the Raytheon Technologies Corporation Clawback Policy, as amended from time to time, available at www.rtx.com. SARs, whether or not vested, may be immediately forfeited and a Participant will be obligated to repay to the Company the value realized from the prior exercise of SARs upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) Within three-years following a Participant's Termination Date, the Committee determines that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause;
- (iii) Within twenty-four months following the Termination Date, the Participant:
 - (A) Solicits a Company employee, or individual who had been a Company employee within the previous three months, for an opportunity outside of the Company; or
 - (B) Publicly disparages the Company, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Company or such individuals; or
- (iv) A restatement of financial results attributable to a Participant's actions, whether intentional or negligent.
- (v) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the

Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors, customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

(vi) Negligent conduct injurious to the Company, including negligent supervision of a subordinate whose action requires a restatement of financial results, or other significant harm to the Company as determined by the Committee.

In addition, the Committee reserves the right to require repayment of all or any portion of a SAR Award under item (iv) above, without regard to whether a restatement is attributable to the Participant's actions, as appropriate and determined at the Committee's sole discretion.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants. Further details concerning the forfeiture of Awards and the obligation to repay gains realized from LTIP Awards are set forth in Section 14(i) of the LTIP, available at www.ubs.com/onesource/rtx, and the Raytheon Technologies Corporation Clawback Policy, available at www.rtx.com.

Adjustments

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

Further information concerning capital adjustments is set forth in Section 3(e) of the LTIP, available at www.ubs.com/onesource/rtx.

Change-in-Control

In the event of a Change-in-Control or restructuring of the Company, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, available at www.ubs.com/onesource/rtx.

Awards Not to Affect Certain Transactions

SAR Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or

business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

Taxes / Withholding

The Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award (“Tax-Related Items”). The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is a Section 16 officer of the Company under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the Company’s withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock subject to the SAR Award having a Fair Market Value on the date of exercise equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from a Participant’s regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the exercise of any SAR. Acceptance of an Award constitutes affirmative consent by a Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where the Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at www.ubs.com/onesource/rtx.

Nonassignability

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any SAR Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

Nature of Payments

All Awards made pursuant to the LTIP are in consideration of services performed for the Company. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and

will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

Right of Discharge Reserved

Nothing in the LTIP or in any SAR Award shall confer upon any Participant the right to continued employment or service for any period of time or affect any right that the Company may have to terminate the employment of any Participant at any time for any reason.

Administration

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Human Capital & Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer, the Chief Human Resources Officer and the Corporate Vice President, Total Rewards (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Company who are covered under Section 16 of the Securities Exchange Act of 1934, as amended. Awards to these employees will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegates on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

Data Privacy

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Company and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

Company Compliance Policies

Participants must comply with the Company's Code of Conduct and Company policies and procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Conduct and Company policies are available online at <http://epolicy.corp.ray.com/epolicy/>.

Interpretations

This Schedule of Terms provides a summary of terms applicable to the SAR Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, available at

www.ubs.com/onesource/rtx. In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

Governing Law

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Additional Information

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

Stock Plan Administrator

rtxstockadmin@rtx.com

OR

Raytheon Technologies Corporation
Attn: Stock Plan Administrator
4 Farm Springs Road
Farmington, CT 06032

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

**Raytheon Technologies Corporation
2018 Long-Term Incentive Plan**

Non-Qualified Stock Option Award
Schedule of Terms

(Rev. February 2022)

This Schedule of Terms describes the material features of the Participant's Non-Qualified Stock Option Award (the "Option Award" or the "Award") granted under the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan, as amended and restated effective April 26, 2021 (the "LTIP"), subject to this Schedule of Terms, the Award Agreement, and the terms and conditions set forth in the LTIP. The LTIP Prospectus contains further information about the LTIP and this Award and is available at www.ubs.com/onesource/rtx.

Certain Definitions

A Non-qualified Stock Option (an “Option”) represents the right to purchase a specified number of shares of Common Stock of Raytheon Technologies Corporation (the “Common Stock”) for a specified price (the “Grant Price”). Upon exercise, the Participant generally receives shares of Common Stock. Options are generally exercisable if the Participant remains employed by the Company through the applicable vesting date schedule set forth on the Award Agreement (see “Vesting” below), or upon an earlier Termination of Service under limited circumstances that result in accelerated vesting (see “Termination of Service” below). “Company” means Raytheon Technologies Corporation (the “Corporation” or “RTX”), together with its subsidiaries, divisions and affiliates. “Termination Date” means the date a Participant’s employment ends, or, if different, the date a Participant ceases providing services to the Company as an employee, consultant, or in any other capacity. For the avoidance of doubt, absences from employment by reason of notice periods, garden leaves, or similar paid leaves associated with a Termination of Service shall not be recognized as service in determining the Termination Date. All references to termination of employment in this Schedule of Terms will be deemed to refer to “Termination of Service” as defined in the LTIP. “Committee” means the Human Capital & Compensation Committee of the Board. Capitalized terms not otherwise defined in this Schedule of Terms have the same meaning as defined in the LTIP.

Acknowledgement and Acceptance of Award

The number of Options awarded and the Option grant price are set forth in the Award Agreement. An LTIP Award recipient (a “Participant”) must affirmatively acknowledge and accept the terms and conditions of the Option Award within 150 days following the Grant Date. A failure to acknowledge and accept the Option Award subject to the LTIP and this Schedule of Terms, within such 150-day period may result in forfeiture of the Option Award, effective as of the 150th day following the Grant Date.

Participants must acknowledge and accept the terms and conditions of this Option Award electronically via the UBS *One Source* website at www.ubs.com/onesource/rtx. Participants based in certain countries may be required to acknowledge and accept the terms and conditions of this Option Award by signing and returning the designated hard copy portion of the Award Agreement to the Stock Plan Administrator. These countries currently include Russia, Turkey, Hungary, and Slovenia.

Exercise Price (or “Grant Price”)

The Grant Price represents the Fair Market Value of the Corporation’s Common Stock on the date of grant. “Fair Market Value” means, as of any given date, the closing price of the Common Stock on the New York Stock Exchange.

Vesting and Expiration

Options will vest and expire (if unexercised) in accordance with the schedule set forth in the Award Agreement, subject to the Participant’s continued employment with the Company through each applicable vesting date. Options will be forfeited in the event of Termination of Service prior to the vesting date, except in certain earlier terminations involving Retirement, Involuntary Termination (Not for Cause), Disability, Change-in-Control Termination, or Death (see “Termination of Service” below).

Options may be exercised on or after the vesting date until the earlier of the:

- (i) Expiration date specified in the Award Agreement, at which time the Stock Options and all associated rights lapse; or
- (ii) Last day permitted on or following Termination of Service as specified in "Termination of Service" below.

Options may also be forfeited and value realized from exercised Options may be recouped by the Company under certain circumstances (see "Forfeiture of Award and Repayment of Realized Gains" below).

No Shareowner Rights

An Option is the right to purchase a specified number of shares of Common Stock for a specified price, subject to continued employment and certain other conditions. The holder of an Option has no voting, dividend, or other rights accorded to owners of Common Stock, unless and until Options are exercised and settled in Common Stock.

Exercise and Payment

While a Participant is employed by the Company, the Participant may exercise Options on or after the vesting date until the expiration date. The value a Participant will realize upon the exercise of an Option is the difference between the price of the Common Stock at the time of exercise and the Grant Price. The Participant will generally receive shares of Common Stock as soon as administratively practicable following exercise. The value of the Options may instead be paid in cash if the Committee so determines, including where local law restricts the distribution of Common Stock.

It is the responsibility of the Participant, or a designated representative, to track the expiration of the Award and exercise Options in a timely manner. The Company assumes no responsibility for, and will make no adjustments with respect to, Options that expire unexercised. Any communication from the Company to the Participant with respect to expiration is provided as a courtesy only.

Termination of Service

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

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

Retirement. If the Participant's termination results from Retirement, unvested Options held for at least one year as of the Termination Date will vest and become exercisable. For this purpose, Retirement means either a Normal Retirement or Early Retirement as defined below:

- "Normal Retirement" means retirement on or after age 65;

- “Early Retirement” means retirement on or after:
 - Age 55 with 10 or more years of continuous service as of the Termination Date; or
 - Age 50, but before age 55, and the Participant’s age and continuous service as of the Termination Date adds up to 65 or more (“Rule of 65”).

Upon Retirement, vested Options may be exercised as detailed in the chart below:

Retirement Type	Company Consents to Early Retirement *	Exercise Period
Normal Retirement (age 65)	N/A	Options may be exercised until the expiration of their term
Early Retirement on or after age 55 + 10 years of continuous service as of the Termination Date	Yes	Options may be exercised until the expiration of their term
	No	Options may be exercised for three (3) years following the Termination Date or until the expiration of the Stock Option, whichever is earlier
Early Retirement on or after age 50, but prior to age 55 + years of service = 65+ as of the Termination Date	Yes	Options may be exercised for five (5) years following the Termination Date or until the expiration of the Option, whichever is earlier
	No	Options may be exercised for three (3) years following the Termination Date or until the expiration of the Option, whichever is earlier
* The Company’s consent to the Participant’s Retirement will be at the sole discretion of the Company based on its ability to effectively transition the Participant’s responsibilities as of the Termination Date and such other factors as it may deem appropriate.		

Service used to determine eligibility for Normal or Early Retirement means “Continuous Service” as determined under the UTC Savings Plan. The calculation to determine Early Retirement will include partial years, rounded down to the nearest full month.

A Participant will not receive Retirement treatment with respect to any Award in the event of involuntary termination by the Company for Cause.

Involuntary Termination for Cause. If the Participant’s termination results from an involuntary termination by the Company for Cause (as defined in the LTIP), both vested and unvested Options will be forfeited as of the Termination Date regardless of the Participant’s Retirement eligibility. In addition, value realized from previously exercised Option may be subject to

repayment in the event of termination for Cause or certain other occurrences (see “Forfeiture of Award and Repayment of Realized Gains” below).

Involuntary Termination. If the Participant’s termination results from an involuntary termination by the Company for reasons other than Cause, unvested Options held for at least one year as of the Termination Date will receive pro-rata vesting treatment, subject to the Participant providing the Company with a release of claims against the Company in a form and manner satisfactory to the Company. The pro-rata vesting of an Option Award held for at least one year will be based on the number of months worked during the vesting period, including partial months, relative to the full vesting period. Options not vested under this pro-rata vesting formula will be forfeited as of the Termination Date.

Upon involuntary termination for reasons other than Cause, vested Options may be exercised for one (1) year following the Termination Date or until the expiration of the Option, whichever is earlier. Unexercised Options will expire without value at the close of the NYSE on the first anniversary of the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the Options will be cancelled at the end of the last trading day prior to such date.

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

Pro-rata vesting will occur for involuntary terminations resulting from workforce reductions, location closings, restructurings, layoffs, or similar events, as determined by the Committee or its delegate.

Retirement eligible Participants will vest in accordance with the Retirement provisions set forth above. Change-in-Control Terminations are subject to vesting treatment as set forth in the Change-in-Control provisions below. A Participant who is involuntarily terminated for Cause is not eligible for pro-rata vesting of Awards.

Voluntary Termination. A Participant who voluntarily terminates employment (other than for Retirement or a Change-in-Control Termination) is not entitled to pro-rata vesting and will forfeit all unvested Options. Vested Options may be exercised for up to ninety (90) days from the Termination Date or until the expiration of the Option (if earlier). Unexercised Options will expire without value at the close of the NYSE on the ninetieth (90th) day following the Termination Date, or the expiration date, whichever comes first. In the event that the date falls on a weekend or market holiday, the Options will be cancelled at the end of the last trading day prior to the 90th day.

Disability. If a Participant incurs a Disability (as defined in the LTIP), vested Options may be exercised for up to three (3) years from the Termination Date (or until the expiration of the Option, if earlier). While a Participant remains disabled under a Company sponsored long-term disability plan, unvested Options will remain eligible to vest on the earlier of (i) the vesting date specified in the Award Agreement; or (ii) 29 months following the date a Participant incurs a Disability and may then be exercised for three (3) years following the vesting date.

Death. If a Participant dies while actively employed by the Company, or on Disability, all unvested Options will vest as of the date of death and become exercisable. A Participant’s

estate will have three (3) years from the date of death (or until the expiration of the Options, if earlier) to exercise all outstanding Options, provided however, that if an Option expires prior to the expiration of the three-year extension period, the Option will be deemed to be exercised by the Participant's estate as of the Option expiration date with net proceeds (where applicable) held for distribution to the estate.

Different tax rules may apply when the estate or heir exercises the deceased Participant's Options. A personal tax or financial advisor should be consulted under this scenario.

Change-in-Control Termination. If a Participant's termination results from an involuntary termination by the Company for reasons other than for Cause, or due to the Participant's voluntary termination for "Good Reason," in each case, within 24 months following a Change-in-Control in accordance with Section 10(d) of the LTIP (such Termination of Service, a "CIC Termination"), then all unvested Options will vest and become exercisable as of the Termination Date and all vested Options will be exercisable until the third anniversary of the Termination Date (or until the expiration of the Option, if earlier).

Forfeiture of Award and Repayment of Realized Gains

Option Awards, including common stock delivered for exercised Options, are subject to the Raytheon Technologies Corporation Clawback Policy, as amended from time to time, available at www.rtx.com. Options, whether or not vested, will be immediately forfeited and a Participant may be obligated to repay to the Company the value realized from the prior exercise of Options upon the occurrence of any of the following events:

- (i) Termination for Cause (as defined in the LTIP);
- (ii) Within three-years following a Participant's Termination Date, the Committee determines that the Participant engaged in conduct that could have constituted the basis for a Termination for Cause;
- (iii) Within twenty-four months following the Termination Date, the Participant:
 - (A) Solicits a Company employee, or individual who had been a Company employee within the previous three months, for an opportunity outside of the Company; or
 - (B) Publicly disparages the Company, its employees, directors, products, or otherwise makes a public statement that is materially detrimental to the interests of the Company or such individuals; or
- (iv) A restatement of financial results attributable to a Participant's actions, whether intentional or negligent.
- (v) At any time during the twelve-month period following the Termination Date: (A) the Participant becomes employed by, consults for, or otherwise renders services to any business entity or person engaged in activities that compete with the Corporation or the business unit that employed the Participant; or (B) that is a material customer of or a material supplier to the Corporation or the business unit that employed the Participant, unless, in either case, the Participant has first obtained the consent of the Chief Human Resources Officer or her or his delegate. This restriction applies to competitors,

customers, and suppliers of each business unit that employed the Participant within the two-year period prior to the Termination Date. The determination of status of competitors, customers, and suppliers will be made by the Chief Human Resources Officer (or her or his delegate) in her or his sole discretion.

(vi) Negligent conduct injurious to the Company, including negligent supervision of a subordinate whose action requires a restatement of financial results, or other significant harm to the Company as determined by the Committee.

In addition, the Committee reserves the right to require repayment of all or any portion of an Option Award under item (iv) above, without regard to whether a restatement is attributable to the Participant's actions, as appropriate and determined at the Committee's sole discretion.

The Participant agrees that the foregoing restrictions are reasonable and that the value of the LTIP awards is reasonable consideration for accepting such restrictions and forfeiture contingencies. However, if any portion of this section is held by competent authority to be unenforceable, this section shall be deemed amended to limit its scope to the broadest scope that such authority determines is enforceable, and as so amended shall continue in effect. The Participant acknowledges that this Award shall constitute compensation in satisfaction of these covenants. Further details concerning the forfeiture of Awards and the obligation to repay gains realized from LTIP Awards are set forth in Section 14(i) of the LTIP, available at www.ubs.com/onesource/rtx and the Raytheon Technologies Corporation Clawback Policy, available at www.rtx.com.

Adjustments

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

Further information concerning capital adjustments is set forth in Section 3(e) of the LTIP, available at www.ubs.com/onesource/rtx.

Change-in-Control

In the event of a Change-in-Control or restructuring of the Company, the Committee may, in its sole discretion, take certain actions with respect to outstanding Awards to assure fair and equitable treatment of LTIP Participants. Such actions may include the acceleration of vesting, canceling an outstanding Award in exchange for its equivalent cash value (as determined by the Committee), or providing for other adjustments or modifications to outstanding Awards as the Committee may deem appropriate. Further details concerning Change-in-Control are set forth in Section 10 of the LTIP, available at www.ubs.com/onesource/rtx.

Awards Not to Affect Certain Transactions

Option Awards do not in any way affect the right of the Corporation or its shareowners to effect: (i) any adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital or business structure; (ii) any merger or consolidation of the Corporation; (iii) any issue of bonds, debentures, shares of stock preferred to, or otherwise affecting the Common Stock of

the Corporation or the rights of the holders of such Common Stock; (iv) the dissolution or liquidation of the Corporation; (v) any sale or transfer of all or any part of its assets or business; or (vi) any other corporate act or proceeding.

Taxes / Withholding

The Participant is responsible for all income taxes, social insurance contributions, payroll taxes, payment on account or other tax-related items attributable to any Award ("Tax-Related Items"). The provisions of Section 14(d) (Required Taxes) of the LTIP apply to this Award; provided that, if the Participant is a Section 16 officer of the Company under Section 16 of the Securities Exchange Act of 1934, as amended, at the time that a taxable event occurs, then the Company's withholding obligations with respect to such taxable event will be satisfied by the Company withholding shares of Common Stock subject to the Option Award having a Fair Market Value on the date of exercise equal to the amount required to be withheld for tax purposes (calculated using the minimum statutory withholding rate, except as otherwise approved by the Committee). The Company shall have the right to deduct directly from any payment or delivery of shares due to a Participant or from a Participant's regular compensation to effect compliance with all Tax-Related Items, including withholding and reporting with respect to the exercise of any Option. Acceptance of an Award constitutes affirmative consent by a Participant to such reporting and withholding. The Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. Further, if the Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In those countries where there is no withholding on account of such Tax-Related Items, Participants must pay the appropriate taxes as required by any country where they are subject to tax. In those instances where the Company is required to calculate and remit withholding on Tax-Related Items after shares have already been delivered, the Participant shall pay the Company any amount of Tax-Related Items that the Company is required to pay. The Company may refuse to distribute an Award if a Participant fails to comply with his or her obligations in connection with Tax-Related Items.

Important information about the U.S. Federal income tax consequences of LTIP Awards can be found in the LTIP Prospectus at www.ubs.com/onesource/rtx.

Nonassignability

Unless otherwise approved by the Committee or its delegate, no assignment or transfer of any right or interest of a Participant in any Option Award, whether voluntary or involuntary, by operation of law or otherwise, is permitted except by will or the laws of descent and distribution. Any other attempt to assign such rights or interest shall be void and without force or effect.

Nature of Payments

All Awards made pursuant to the LTIP are in consideration of services performed for the Company. Any gains realized pursuant to such Awards constitute a special incentive payment to the Participant and will not be taken into account as compensation for purposes of any of the employee benefit plans of the Company. Awards are made at the discretion of the Committee. Receipt of a current Award does not guarantee receipt of a future Award.

Right of Discharge Reserved

Nothing in the LTIP or in any Option Award shall confer upon any Participant the right to continued employment or service for any period of time or affect any right that the Company may have to terminate the employment of any Participant at any time for any reason.

Administration

The Board of Directors of the Corporation has delegated the administration and interpretation of the Awards granted pursuant to the LTIP to the Human Capital & Compensation Committee. The Committee establishes such procedures as it deems necessary and appropriate to administer Awards in a manner that is consistent with the terms of the LTIP. The Committee has, consistent with its charter and subject to certain limitations, delegated to the Chief Executive Officer, the Chief Human Resources Officer, and the Corporate Vice President, Total Rewards (and to such subordinates as he or she may further delegate) the authority to grant, administer, and interpret Awards, provided that, such delegation will not apply with respect to employees of the Company who are covered under Section 16 of the Securities Exchange Act of 1934, as amended. Awards to these employees will be granted, administered, and interpreted exclusively by the Committee. The Committee's decision or that of its delegates on any matter related to an Award shall be binding, final, and conclusive on all parties in interest.

Data Privacy

The Corporation maintains electronic records for the purpose of administering the LTIP and individual Awards. In the normal course of plan administration, electronic data may be transferred to different sites within the Company and to outside service providers. Acceptance of an Award constitutes consent by the Participant to the collection, use, processing, transmission, and holding of personal data, in electronic or other form, as required for the implementation, administration, and management of this Award and the LTIP by the Company or its third-party administrators within or outside the country in which the Participant resides or works. All such collection, use, processing, transmission, and holding of data will comply with applicable privacy protection requirements. If you do not want to have your personal data shared, you may choose to not accept this Award.

Company Compliance Policies

Participants must comply with the Company's Code of Conduct and Company policies and procedures. Violations can result in the forfeiture of Awards and the obligation to repay previous gains realized from LTIP Awards. The Company's Code of Conduct and Company policies are available online at <http://epolicy.corp.ray.com/epolicy/>.

Interpretations

This Schedule of Terms provides a summary of terms applicable to the Option Award. This Schedule of Terms and each Award Agreement are subject in all respects to the terms of the LTIP, available at www.ubs.com/onesource/rtx. In the event that any provision of this Schedule of Terms or any Award Agreement is inconsistent with the terms of the LTIP, the terms of the LTIP shall govern. Capitalized terms used but not otherwise defined herein shall have the meanings as defined in the LTIP. Any question concerning administration or interpretation arising under the Schedule of Terms or any Award Agreement will be determined by the Committee or its delegates, and such determination shall be final, binding, and conclusive upon

all parties in interest. If this Schedule of Terms or any other document related to this Award is translated into a language other than English and a conflict arises between the English and translated version, the English version will control.

Governing Law

The LTIP, this Schedule of Terms, and the Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

Additional Information

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

Stock Plan Administrator

rxstockadmin@rx.com

OR

Raytheon Technologies Corporation

Attn: Stock Plan Administrator

4 Farm Springs Road

Farmington, CT 06032

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

**RAYTHEON TECHNOLOGIES CORPORATION
EXECUTIVE SEVERANCE PLAN**

PURPOSE OF THE PLAN

The Human Capital & Compensation Committee of the Board of Directors (the “Committee”) of Raytheon Technologies Corporation (the “Company”, or “RTX”) 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.

Therefore, in order to fulfill the above purposes, this Raytheon Technologies Corporation Executive Severance Plan (this “Plan”) has been developed and is hereby adopted to become effective as of April 4, 2022 (the “Effective Date”).

**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 Raytheon Technologies Corporation.

1.7 “Company” means Raytheon Technologies 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; and (b) any Executive with an employment agreement that contains severance provisions.

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 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 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 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); 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; 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 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 controls. 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 Raytheon Technologies 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 Raytheon Technologies 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 Raytheon Technologies 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 utilizing Executive's best efforts to protect and further the Company's interests in litigation matters. 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]

**RAYTHEON TECHNOLOGIES
CORPORATION**

By: _____

Name:

Title:

Exhibit A-1

INTELLECTUAL PROPERTY AGREEMENT

As a condition and in consideration of my employment by, as applicable, **RAYTHEON TECHNOLOGIES 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 _____

CONSULTING AGREEMENT

THIS AGREEMENT is made as April 1, 2022, by and between **RAYTHEON TECHNOLOGIES CORPORATION**, a corporation, with an office and place of business at 870 Winter Street, Waltham, MA 02451 (hereinafter referred to as the "Company" or "RTX"), and **MICHAEL R. DUMAIS** of [] (hereinafter referred to as "Consultant").

In consideration of the mutual promises of each party to the other as set forth below, it is hereby mutually agreed as follows:

ARTICLE I STATEMENT OF SERVICES

- (a) Consultant shall provide services for the Company as defined in the Statement of Work attached hereto as Exhibit A (the "Services") during the period commencing on April 1, 2022 and ending on March 31, 2023 (the "Consulting Agreement Term").
- (b) Consultant agrees to furnish the Company with written reports with respect to such Services if and when reports are requested by the Company.
- (c) It is agreed that the Company is not obligated to use the Supplier's services exclusively or for any stipulated period of time and, subject to Article VI, Section (b), Supplier's services are not exclusive to the Company.
- (d) To facilitate Consultant's delivery of Services to the Company, the Company agrees to provide the Consultant with access to Company provided administrative support services, to be provided by Dana Morse, an RTX employee. Such support services may vary substantially from week to week based on special projects.

ARTICLE II COMPENSATION

- (a) The parties mutually contemplate that Consultant will provide approximately forty (40) hours of Services per month, and approximately four-hundred-eighty (480) hours of Services over the entire one-year Consulting Agreement Term. In consideration for such Services, Supplier will be paid a fixed monthly retainer fee of \$41,667, payable in arrears, plus reasonable expenses. The parties acknowledge that the amount of Services provided in any given month are expected to vary and that any such variances will not impact the amount of monthly compensation payable to the Consultant.
- (b) Consultant agrees to provide a monthly summary of his Services (including total Service hours), together with any request for reimbursement of expenses incurred, to the Office of the CEO, via email (drew.barber@rtx.com), or to the mailing address set forth in Article V, and agrees that he shall be obligated to submit any final invoice requesting expense reimbursement to the same, within thirty (30) days of the conclusion of the Consulting Agreement Term. The

monthly summary shall fairly and accurately describe in sufficient detail the actual services performed and reasonable expenses incurred.

(c) For the avoidance of doubt, in the event of an early termination by either Party pursuant to Article III(b) below, Consultant will no longer be expected to provide Services and the Company will no longer be obligated to pay the fixed monthly retainer.

(d) If the Company elects to make payment electronically, Consultant shall submit electronic payment requests and the Company shall make payments by electronic wire transfer, in accordance with its procedures. Consultant shall advise in writing the bank and account information to which the Company is to make electronic payments.

(e) It is understood and acknowledged that this Agreement shall not prevent Consultant from becoming employed by any person or entity (subject to restrictions set forth in the Separation Agreement) and that the Services required by the Company will not unreasonably interfere with obligations the Supplier may have to any employer or with his activities in seeking employment, and any services to be provided pursuant to this Agreement shall be performed at such time or times and at such locations as mutually agreed between the parties.

(f) Consultant is not expected to render services within any 12 month period that involve a time commitment in excess of 37.5% of the average time expended as an employee of the Company during the 36 months prior to his retirement from the Company, which retirement therefore qualifies as a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of actual services rendered exceed this limit, the parties agree to cooperate to avoid any violation of Section 409A. Such cooperation could include, for example, deferring the receipt of payments from the Company's compensation programs that are considered deferred compensation arrangements for purposes of Section 409A.

(g) Notwithstanding any other provisions of this Agreement, the Company shall be under no obligation to make any payment to Consultant in excess of the total amount of \$525,000 for any and all services performed, together with any and all expenses incurred under the terms of this Agreement.

ARTICLE III RENEWAL AND TERMINATION

(a) This Agreement may be extended only by mutual written agreement between the parties. The parties agree that any renewal of the Agreement, or extension of the Consulting Agreement Term, will take into consideration actual Services provided during the initial Consulting Agreement Term, in determining the compensation arrangement for the extension period or renewal of the Agreement.

(b) Either party may terminate this Agreement by giving the other party fourteen (14) days written notice.

(c) Upon termination, the Company will pay Consultant for any services performed under the Agreement up to the effective termination date, and the Company will have no further obligations to Consultant.

ARTICLE IV WARRANTIES

(a) Consultant warrants to the Company that the Services will be provided free of any rightful claim of any third person by way of infringement and that the Services will conform to the descriptions and other requirements contained in this Agreement.

(b) Consultant warrants that all services performed under this Agreement shall be performed in accordance with current, sound and generally accepted industry practices, provided, however, that the Company's sole and exclusive remedy for a breach of this warranty shall be to terminate this Agreement in accordance with Section 5 of the Addendum to this Agreement.

ARTICLE V NOTICES

Notices related to this Agreement shall be given in writing and sent by certified mail, return receipt requested. Any such notice, if sent by RTX to the Consultant, shall be addressed as follows:

Mr. Michael Dumais
[]

and, if sent by the Consultant to RTX, shall be addressed as follows:

Raytheon Technologies Corporation
4 Farm Springs Road
Farmington, CT 06032
Attn: Mr. Drew Barber, Office of the CEO

ARTICLE VI GENERAL

(a) Terms and Conditions. This Agreement is governed by the RTX Standard Terms and Conditions of Purchase for Small Purchases set forth in Addendum 1 to this Agreement.

(b) Conflict Avoidance. Consultant acknowledges that in performing the Services, he will have access to extremely sensitive, privileged and proprietary information, and that this information could relate to RTX's technology, competitive position, business priorities and marketing strategies. To protect RTX's interests and to assure free access by Consultant to all company information necessary for performance of the Services, Consultant agrees that during the term of this Agreement, he shall not provide services in any way as a consultant, employee or

otherwise, to any entity that would violate the terms of this Agreement, or otherwise create a conflict of interest with the Company. Consultant agrees to notify Drew Barber of any such potential employment or consultant relationship prior to engagement to ensure that no conflict exists. This Agreement shall have no impact on the term of the noncompetition period specified in the Consultant's Separation Agreement with the Company, and such noncompetition period will, as applicable, run concurrently with the conflict avoidance required under this Agreement.

(c) Captions. Captions used herein are for convenience of reference only and shall not control or affect in any way the meaning, construction, or interpretation of any of the provisions hereof.

(d) Governing Law and Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of Connecticut, excluding its conflict of law rules. In the event any dispute arises out of this Agreement, any action or claim shall be brought in a state or federal court in the State of Connecticut, and Consultant hereby irrevocably consents to personal jurisdiction and venue in said courts.

(e) Compliance with RTX Code of Conduct. The Consultant will comply with RTX's "Code of Conduct."

(f) Non-Disclosure. Consultant agrees not to disclose the compensation terms of this Agreement without RTX's prior consent, provided however, that he may disclose such terms to his attorney and tax advisors. Consultant shall not make or authorize any news release or advertisement which confirms the existence of this Agreement, or which shall make use of RTX's name, without the prior written consent of RTX. Consultant may represent that he is a consultant for the Company as may be reasonably required, including to perform this Agreement or as necessary to seek employment or other consulting arrangements.

(g) Not Assignable. This Agreement is not assignable by either party unless such assignment is mutually agreed to in writing by the parties hereto.

(h) Merger and Entire Agreement. The terms and conditions of this Agreement (including all attachments and documents incorporated by reference) constitute the entire agreement between the parties with respect to the Services and shall supersede all previous communications, agreements, and representations, either oral or written, with respect to the subject matter hereof, and no agreement or understanding varying or extending this Agreement shall be binding upon either party hereto, unless in writing signed by duly authorized representatives of both parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this agreement on the date written below.

RAYTHEON TECHNOLOGIES CORPORATION

By: _____
Dantaya Williams
Executive Vice President & CHRO

Date: _____

MICHAEL R. DUMAIS

By: _____

Date: _____

EXHIBIT A

STATEMENT OF WORK

As directed by RTX, the Consultant shall provide independent consulting services in support of corporate strategy, mergers, divestitures and acquisitions, business transformation and other matters as requested by the Office the Chairman & CEO.

Addendum 1

Standard Terms and Conditions of Purchase for Small Purchases

1. DEFINITIONS

The definitions in the Agreement apply to this Addendum.

2. INDEPENDENT CONSULTANT RELATIONSHIP

2.1 The relationship of the Consultant to the Company is that of an independent contractor and nothing herein shall be construed as creating any other relationship.

2.2 Consultant accepts exclusive liability for the payment of any taxes, Social Security contributions and unemployment insurance in respect of all compensation paid by the Company pursuant to this Agreement.

2.3 Consultant acknowledges that RTX will provide an IRS Form 1099-MISC reflecting all payments made to Consultant under this Agreement.

2.4 Consultant acknowledges that he is not a Company employee and is not entitled pursuant to this agreement, to the rights and benefits of a Company employee with respect to services provided hereunder, including, but not limited to, participation in pension, savings, health care and other Company employee benefit plans.

3. COMPANY INFORMATION

3.1 Consultant shall not use or disclose Company Information. The term "Company Information" as used in this Agreement means: (a) confidential information including, without limitation, information received from third parties under confidential conditions; (b) information subject to the Company's attorney-client or work-product privilege; and (c) other technical, scientific, business or financial information, the use or disclosure of which might reasonably be construed to be contrary to the Company's interest. Consultant shall use his reasonable best efforts to safeguard and maintain confidentiality of other information that constitutes "Material Nonpublic Information" (as defined below) that he obtains during the performance of the Services.

3.2 "Material Nonpublic Information" includes any information that has not been disclosed publicly by the Company, or an affiliate and that a reasonable investor likely would consider to be important to a decision to buy, hold or sell RTX securities. It also includes nonpublic information disclosed to or possessed by the Company that is related to another corporation that a reasonable investor likely would consider important to a decision to buy, hold or sell the securities of the other corporation. Such information may include, by way of example: computer programs and documentation; technical design, manufacturing and application information;

customer information; training information; financial information; personnel information; new product developments; advertising and business and marketing plans.

4. REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS

Consultant represents, warrants, covenants and agrees that:

4.1 The Consultant will comply with RTX's "Code of Conduct" as applicable.

4.2 The Consultant shall use his reasonable best efforts to avoid and refrain from all activities on behalf of the Company that could be interpreted as creating conflicts of interest or the appearance of a conflict for the Company or the Consultant. The Consultant agrees to promptly notify the Company if the Consultant at any time has information or reason to believe that the performance of Services requested hereunder or activities unrelated to this Agreement would create such a conflict of interest, or the appearance of such a conflict.

5. TERMINATION

The Company or the Consultant may each terminate this Agreement for any reason with fourteen (14) days advance notice without either party having any liability to the other except for payments due to the Consultant for services rendered and unreimbursed business expenses.

6. ASSIGNMENT

Neither this Agreement nor any interest hereunder shall be assignable by either party unless such assignment is mutually agreed to in writing by the parties hereto; provided, however, that the Company may assign this Agreement to any corporation with which the Company may merge or consolidate or to which the Company may assign substantially all of its assets or that portion of its business to which this Agreement pertains.

7. PARTIAL INVALIDITY

If in any instance any provision of this Agreement shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instance, but the remaining provisions shall be given effect in accordance with their terms.

8. FORCE MAJEURE

Neither RTX nor Consultant shall be liable for damages for any failure or delay in the performance of this Agreement resulting from causes beyond its and its subcontractors (if any) reasonable control including, but not limited to, unforeseeable events such as acts of God, acts of Government, war, court order, riots, natural disasters, labor strikes, and lockouts. The party incurring the delay shall give timely notice to the others of any such event and shall use all reasonable efforts to avoid or remove the cause and resume performance with minimum delay.

9. ACCESS TO RTX COMPUTER SYSTEMS

9.1 Consultant agrees that RTX and its affiliates shall have sole discretion as to whether Consultant is granted access to RTX or its affiliates' computer-based information systems; and agrees that any access privileges granted to Consultant will be defined by RTX. To facilitate Consultant's ability to perform the Services, RTX has determined that Consultant shall have access to RTX's information networks subject to any modifications as may be necessary or appropriate. For this purpose, Consultant will retain his current computer, iPhone and other devices during the term of this Agreement.

9.2 Consultant shall ensure that access privileges identified by RTX are not assigned or provided by Consultant to any other employees or persons.

April 26, 2022

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

Commissioners:

We are aware that our report dated April 26, 2022 on our review of interim financial information of Raytheon Technologies Corporation, which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-3 (No. 333-234027) and Form S-8 (Nos. 333-237576, 333-234086, 333-234085, 333-234084, 333-228649, 333-225839, 333-197704, 333-175781, 333-150643, 333-125293, 333-110020, and 333-100724) of Raytheon Technologies 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 Raytheon Technologies Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 26, 2022

/s/ GREGORY J. HAYES

Gregory J. Hayes
President and Chief Executive Officer

CERTIFICATION

I, Neil G. Mitchill, Jr., certify that:

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

Date: April 26, 2022

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

Date: April 26, 2022

/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 Raytheon Technologies Corporation, a Delaware corporation (the "Corporation"), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (the "Form 10-Q") of the Corporation fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: April 26, 2022

/s/ GREGORY J. HAYES

Gregory J. Hayes
President and Chief Executive Officer

Date: April 26, 2022

/s/ NEIL G. MITCHILL, JR.

Neil G. Mitchill, Jr.
Executive Vice President and Chief Financial Officer

Date: April 26, 2022

/s/ AMY L. JOHNSON

Amy L. Johnson
Corporate Vice President and Controller