

Compensation Risk

The Compensation Committee has reviewed and evaluated the incentive compensation policies and practices that cover all employees. On the basis of that review, the Company does not believe that its compensation policies and practices pose risks that are reasonably likely to have a material adverse effect on the Company.

Summary Compensation Table

The following information is set forth with respect to the Company's Chief Executive Officer, Chief Financial Officer and three of the Company's other most highly compensated executive officers serving as an executive officer at September 30, 2020 (the "named executive officers").

Name and Principal Position	Fiscal Year	Salary (\$)(1)	Bonus (\$)(2)	Option Awards (\$)(3)	Nonequity Incentive Compensation (\$)(2)	All Other Compensation (\$)(4)	Total (\$)
Kevin Stein, President and Chief Executive Officer	2020	991,563	--	7,460,000	--	13,608,900	22,060,463
	2019	1,045,000	65,925	--	1,684,075	10,340,200	13,135,200
	2018	838,333	17,440	19,695,375	1,082,560	1,837,900	23,471,608
Michael Lisman, Chief Financial Officer	2020	496,458	2,580	--	327,420	2,653,957	3,480,415
	2019	467,500	22,104	12,411,600	477,896	937,673	14,316,773
	2018	250,365	12,512	761,541	157,488	33,197	1,215,103
W. Nicholas Howley, Executive Chairman	2020	7,000	--	11,880,431	--	56,235,370	68,122,801
	2019	7,000	--	13,577,620	--	47,058,288	60,642,908
	2018	7,000	--	12,330,335	--	791,262	13,128,597
Robert Henderson, Vice Chairman	2020	10,000	--	1,695,486	--	11,916,135	13,621,621
	2019	10,000	--	15,229,768	--	9,187,020	24,426,788
	2018	10,000	--	2,964,717	--	1,289,600	4,264,317
Jorge Valladares, Chief Operating Officer	2020	614,917	2,200	5,296,498	397,800	7,430,025	13,741,542
	2019	613,500	11,618	7,451,630	628,382	4,626,100	13,331,230
	2018	503,590	920	4,933,500	429,085	896,700	6,763,790

- (1) Mr. Howley received all but \$7,000 of his fiscal 2020 salary in options. The grant of options in lieu of salary for calendar 2020 (i.e., including compensation for the first quarter of fiscal 2021) made during fiscal 2020 is included in the Option Awards column and represents \$1,493,297 of the total. The amount shown is net of the amount forfeited by Mr. Howley in October 2020 due to the impact of the COVID-19 pandemic; options forfeited were valued at \$381,049. Mr. Henderson received all but \$10,000 of his calendar 2020 salary in options. The grant of options in lieu of salary for calendar 2020 (i.e., including compensation for the first quarter of fiscal 2020) made during fiscal 2020 is included in the Option Awards column and represents \$1,208,347 of the total. The amount shown is net of the amount forfeited by Mr. Henderson in October 2020 due to the impact of the COVID-19 pandemic; options forfeited were valued at \$63,558.
- (2) The Company has a performance-based annual incentive plan, with discretion to adjust awards by up to 20%. The calculated amount is disclosed in the Nonequity Incentive Compensation column and any additional amount (which, for 2020, is merely rounding) is disclosed in the Bonus column. For Mr. Howley, his calculated incentive for 2020 was \$1,388,330 and he was originally awarded that same value; however, he forfeited one-half of his incentive in light of the COVID-19 pandemic's impact on the Company. Pursuant to his employment agreement, Mr. Howley received a grant of options in fiscal 2021 in lieu of the cash incentive relating to 2020. Notwithstanding that the incentive award was granted in fiscal 2021, because it is in lieu of prior year incentive compensation and bonus, the fair value of the grant (after the forfeiture), which is \$979,391, is reflected as an option award in the Summary Compensation Table for fiscal 2020.

For Mr. Henderson, his calculated incentive for 2020 was \$486,540 and he was originally awarded that same value; however, he forfeited one-half of his incentive in light of the COVID-19 pandemic's impact on the Company. Pursuant to his employment agreement, Mr. Henderson received a grant of options in fiscal 2021 in lieu of the cash incentive relating to 2020. Notwithstanding that the incentive award was granted in fiscal 2021, because it is in lieu of prior year incentive compensation and bonus, the fair

COMPENSATION OF EXECUTIVE OFFICERS

Summary Compensation Table

The following table sets forth information regarding compensation for each of our 2020 named executive officers.

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Stock Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
David L. Calhoun <i>President and Chief Executive Officer</i>	2020	269,231	—	20,515,106	—	—	289,715	21,074,052
Gregory D. Smith <i>Executive Vice President, Enterprise Operations and Chief Financial Officer</i>	2020	1,150,000	—	2,565,845	888,720	411,186	206,027	5,221,778
	2019	1,128,846	—	2,430,699	—	411,242	545,016	4,515,803
	2018	1,032,462	—	2,550,173	4,574,957	—	524,466	8,682,058
Leanne G. Caret <i>Executive Vice President, President and Chief Executive Officer, Defense, Space & Security</i>	2020	1,000,000	—	1,845,055	898,700	626,749	146,654	4,517,158
	2019	980,769	—	1,753,172	—	632,899	325,205	3,692,045
	2018	871,731	—	6,946,758	2,564,413	—	344,623	10,727,525
Michael D'Ambrose <i>Executive Vice President, Human Resources</i>	2020	366,154	750,000(6)	3,041,687	483,840	—	33,900	4,675,581
Stanley A. Deal <i>Executive Vice President, President and Chief Executive Officer, Commercial Airplanes</i>	2020	1,080,769	—	2,193,650	675,740	789,513	781,854	5,521,526
	2019	934,423	—	1,732,642	—	830,045	708,196	4,205,306
	2018	793,904	—	1,299,478	2,072,832	—	339,332	4,505,546

- Amounts reflect base salary paid in the year, before any deferrals at the executive's election and including salary increases effective during the year, if any. For Mr. Calhoun, amount reflects base salary paid through March 20, when he announced he would accept no further pay for the remainder of the year.
- Amounts reflect the aggregate grant date fair value of PBRsUs and RSUs granted in the year computed in accordance with FASB ASC Topic 718. These amounts are not paid to or realized by the executive. If the maximum level of performance were to be achieved for the PBRsUs granted in 2020, the grant date value for those PBRsUs would be \$3,500,209 for Mr. Calhoun, \$2,566,010 for Mr. Smith, \$1,844,811 for Ms. Caret and \$2,193,617 for Mr. Deal. Mr. D'Ambrose did not receive an award of PBRsUs during 2020 as he was hired after the February grant date for such awards. The grant date fair value of each PBRsU and RSU award in 2020 is set forth in the 2020 Grants of Plan-Based Awards table on page 51.
- Amounts reflect (a) annual incentive compensation, which is based on Company and individual performance and (b) long-term incentive performance awards for the three-year performance period that ended in the relevant year, in each case including amounts deferred under our deferred compensation plan. Mr. Calhoun did not receive any annual incentive payment for 2020, consistent with his commitment in March 2020 to accept no further pay for the remainder of the year. For 2020, there were no payouts of long-term performance awards. No payouts were made in common stock under the long-term incentive performance awards during any of the covered years. The following table sets forth the elements of "Non-Equity Incentive Plan Compensation."

Name	Year	Annual Incentive Compensation (\$)	Long-Term Incentive Performance Awards (\$)	Total Non-Equity Incentive Plan Compensation (\$)
David L. Calhoun	2020	—	—	—
Gregory D. Smith	2020	888,720	—	888,720
	2019	—	—	—
	2018	2,075,957	2,499,000	4,574,957
Leanne G. Caret	2020	898,700	—	898,700
	2019	—	—	—
	2018	1,381,063	1,183,350	2,564,413
Michael D'Ambrose	2020	460,800	—	460,800
Stanley A. Deal	2020	675,740	—	675,740
	2019	—	—	—
	2018	1,391,487	681,345	2,072,832

The estimated target and maximum amounts for annual incentive awards for 2020 and for performance awards granted in 2020 are reflected in the 2020 Grants of Plan-Based Awards table on page 51.

Summary Compensation Table

The following table shows annual and long-term compensation awarded, earned or paid for services in all capacities to the NEOs for the fiscal year ended December 31, 2020 and, where applicable, the prior fiscal years. Numbers have been rounded to the nearest dollar. Mr. Taiclet received compensation for service as a non-employee director until June 14, 2020. Mr. Taiclet's director compensation is included in Stock Awards column (e) and All Other Compensation column (i).

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)	Total Without Change In Pension Value* (\$)
(a)	(b)	(c)	(e)	(g)	(h)	(i)	(j)	
James D. Taiclet Chairman, President and Chief Executive Officer	2020	915,385	18,611,850	2,896,200	0	936,934	23,360,369	23,360,369
Marilyn A. Hewson Strategic Advisor to the CEO; Former Chairman, President and Chief Executive Officer	2020	1,877,519	12,818,340	10,639,900	2,445,000	719,066	28,499,825	26,054,825
	2019	1,857,301	11,375,516	10,377,344	6,478,070	825,751	30,913,982	24,435,912
	2018	1,769,262	9,788,097	8,758,727	68	1,200,459	21,516,613	21,516,545
Kenneth R. Possenriede Chief Financial Officer	2020	1,000,769	3,973,848	2,337,700	523,825	170,581	8,006,723	7,482,898
	2019	883,932	3,579,885	2,380,880	1,678,553	738,980	9,262,230	7,583,677
Frank A. St. John Chief Operating Officer	2020	981,202	3,984,777	3,177,700	968,931	406,495	9,519,105	8,550,174
	2019	900,673	3,122,369	2,503,697	1,410,068	583,012	8,519,819	7,109,751
	2018	848,462	2,880,137	2,081,940	0	255,109	6,065,648	6,065,648
Richard F. Ambrose Executive Vice President, Space	2020	947,212	3,418,465	3,177,700	528,557	181,380	8,253,314	7,724,757
	2019	900,673	3,122,369	2,845,950	1,513,734	200,781	8,583,507	7,069,773
	2018	857,500	2,880,137	2,303,783	138,976	113,105	6,293,501	6,154,525
Michele A. Evans Former Executive Vice President, Aeronautics	2020	947,212	3,845,716	2,497,700	858,837	218,638	8,368,103	7,509,266
	2019	900,673	3,122,369	2,450,580	1,174,554	238,639	7,886,815	6,712,261

Name and Principal Position (Column (a))

Information is provided for Mr. Taiclet for 2020 only and for Mr. Possenriede and Ms. Evans for 2020 and 2019 only because they were not NEOs in prior years. Mr. Taiclet was elected President and Chief Executive Officer effective June 15, 2020 and Chairman effective March 1, 2021. Ms. Hewson transitioned to Executive Chairman effective June 15, 2020, after serving as Chairman, President and Chief Executive Officer and retired as Executive Chairman effective March 1, 2021. Mr. St. John was promoted to Chief Operating Officer effective June 15, 2020, after serving as Executive Vice President, Rotary and Mission Systems since August 2019. Ms. Evans passed away on January 1, 2021.

Salary (Column (c))

Salary is paid weekly in arrears. The amount of salary reported may vary from the approved annual rate of pay because the salary reported in the table is based on the actual number of weekly pay periods in a year. Amounts for 2020 include payment of cash in lieu of vacation for Mr. Possenriede \$53,558 (of which \$17,981 was then donated under the Corporation's leave donation program) and Mr. St. John \$35,577.

Compensation Tables

Summary Compensation Table

Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾	Total (\$)	Total Without Change in Pension Value (\$)
Gregory J. Hayes President & Chief Executive Officer								
2020	\$1,413,333	\$2,500,000 ⁽⁷⁾	\$7,417,686	\$7,178,289	\$1,573,784	\$887,798	\$20,970,890	\$19,407,572
2019	\$1,600,000	\$4,200,000	\$6,816,740	\$6,535,560	\$2,071,748	\$314,799	\$21,538,847	\$19,478,590
2018	\$1,575,000	\$3,500,000	\$8,878,810	\$3,165,260	\$829,344	\$469,901	\$18,418,315	\$17,599,694
Anthony F. O'Brien III Executive Vice President & Chief Financial Officer ⁽⁸⁾								
2020	\$609,139	\$1,000,000	\$2,049,975	\$0	\$2,418,992	\$73,380	\$6,151,486	\$3,732,494
Robert K. Ortberg Special Advisor to the Office of the CEO ⁽⁹⁾								
2020	\$1,140,192	\$1,600,000	\$3,082,632	\$2,978,911	\$208,385	\$374,562	\$9,384,682	\$9,176,297
2019	\$1,210,000	\$2,200,000	\$3,149,804	\$3,013,280	\$231,486	\$356,873	\$10,161,443	\$9,929,957
2018	\$112,240	\$140,300	\$9,875,022	\$0	\$30,107	\$147,381	\$10,305,050	\$10,274,943
Michael R. Dumais Executive Vice President, Chief Transformation Officer ⁽¹⁰⁾								
2020	\$800,417	\$900,000	\$1,723,436	\$1,663,314	\$524,320	\$660,402	\$6,271,889	\$5,747,569
Stephen J. Timm President, Collins Aerospace ⁽¹¹⁾								
2020	\$613,447	\$600,000	\$2,358,302	\$1,282,991	\$55,427	\$435,300	\$5,345,467	\$5,290,040
Neil G. Mitchell, Jr. Corporate Vice President, Financial, Planning & Analysis & Investor Relations ⁽¹²⁾								
2020	\$612,083	\$500,000	\$886,283	\$841,522	\$0	\$159,526	\$2,999,414	\$2,999,414
2019	\$591,667	\$700,000	\$1,588,229	\$559,900	\$0	\$145,664	\$3,585,460	\$3,585,460
Charles D. Gill, Jr. Former Executive Vice President & General Counsel ⁽¹³⁾								
2020	\$343,125	\$0	\$101,363	\$203,110	\$2,994,959	\$5,809,962	\$9,452,519	\$6,457,560

(1) **Salary.** Incorporates the 10% temporary base salary reduction the Company instituted for the period between June and December for Collins Aerospace, Pratt & Whitney and for Corporate in connection with the COVID-19 pandemic. Mr. Hayes requested the Committee reduce his base salary by 20% for the same period.

(2) **Bonus.** Annual incentive awards provided under the Raytheon Technologies Corporation Annual Executive Incentive Compensation Plan (formerly the UTC Annual Executive Incentive Compensation Plan) are primarily based on measured performance against pre-established goals (as detailed on pages 48-52). However, the Committee retains discretion to adjust annual incentive award amounts based on its assessment of overall performance. Consequently, we report annual incentive awards in the Bonus column rather than in the Non-Equity Incentive Plan Compensation column.

(3) **Stock Awards.** Amounts shown include the grant date fair value of RSUs granted in 2020 under the Raytheon Technologies Corporation 2018 Long-Term Incentive Plan (the "RTX LTIP"), formerly the UTC 2018 Long-Term Incentive Plan. Additionally, amounts shown also include the incremental fair value resulting from the conversion of outstanding unvested UTC RSUs and PSUs into unvested RTX RSUs upon the Spinoffs of Carrier and Otis, and for Mr. O'Brien, the incremental fair value resulting from the conversion of outstanding unvested RTN restricted stock awards ("RSAs") and PSUs into RTX RSAs and RSUs, respectively, upon the Merger. Pursuant to accounting guidance prescribed under FASB ASC Topic 718, the conversion resulted in a grant modification, which in accordance with SEC rules is reportable as compensation. The incremental fair value is determined by comparing the aggregate fair value of the outstanding awards immediately before and after the modification. The assumptions made in calculating the fair value of these awards are set forth in Note 21: Stock Based Compensation, to the Consolidated Financial Statements in RTX's 2020 Annual Report on Form 10-K ("2020 Form 10-K"). The following table separates the grant date fair value of RSUs granted during 2020 and the incremental fair value attributable to the conversion of stock awards upon the Spinoffs and Merger, both calculated in accordance with FASB ASC Topic 718, but excluding the effect of estimated forfeitures.