Lifetime Income Strategy Summary

KEY TERMS

Lifetime Income Strategy
The Lifetime Income Strategy is an option offered under RTX Savings Plan for participants who want to build a steady stream of secure income for retirement. Its key features include:

- A simple way to invest in a single, well-diversified option (similar to Single Life:)
- A way to secure a steady Income Benefit in retirement that will last for
- A flexible way to protect and preserve your retirement income without giving up access to and control of your assets.
- A way to secure a steady Income Benefit in retirement that will last for as long as you live and that has the potential for investment growth.
- An effective way to accumulate retirement assets—and protect your retirement income from a market downturn.

Income Benefit
Your Income Benefit is the amount of secure income you’re eligible to receive each year after Activation for the rest of your life. This feature is introduced at age 48 and gradually increases over time to include 100% of your entire Lifetime Income Strategy balance by age 60. With this protection, unless you take Early or Excess Withdrawals from the Lifetime Income Strategy, the amount of your Income Benefit can never decrease—even if your account loses value. Your Income Benefit is calculated by multiplying your Income Base by your Average Benefit Rate.

Income Base
Your Income Base is at first equal to the amount of the initial allocation made by the Lifetime Income Strategy to the Lifetime Income Strategy Secure Income sub-fund, which secures your Income Benefit. Your Income Base will increase as follows:

Additional allocations to the Lifetime Income Strategy Secure Income sub-fund increase your Income Base dollar for dollar. (You cannot make contributions or transfers directly to the Lifetime Income Strategy Secure Income sub-fund. Instead you make contributions or transfers to the Lifetime Income Strategy. The Lifetime Income Strategy then allocates a portion or all of that contribution or transfer to the Lifetime Income Strategy Secure Income sub-fund, depending upon your age.)

Your Income Base is increased to the market value in the Lifetime Income Strategy Secure Income sub-fund at Activation and on each of your following birthdays, if the market value is greater than your current Income Base. This feature is known as a “ratchet” or “step-up.”

Average Benefit Rate
Your Average Benefit Rate represents an average of insurer-quoted lifetime benefit rates that are applied to allocations made to the Lifetime Income Strategy Secure Income sub-fund. Benefit rates quoted from the insurers may change. However, the benefit rates for any prior allocations to the Lifetime Income Strategy Secure Income sub-fund were fixed at the times those allocations were made and don’t change.

Activation
Activation is the process by which the factors, such as age and form of payment (Single Life or Joint Life), for calculating your initial Income Benefit are irrevocably applied. To Activate your Income Benefit, you must be at least age 60 and no longer employed by RTX.

Early Withdrawal
An Early Withdrawal is any withdrawal taken prior to the Activation of your Income Benefit.

Excess Withdrawal
An Excess Withdrawal is any withdrawal taken after Activation of your Income Benefit that exceeds your annual Income Benefit. (Amounts automatically paid to satisfy required minimum distributions are not considered Excess Withdrawals.)

Forms of Payment
You may choose one of the following forms of payment for your Income Benefit:

- **Single Life:** You are electing to receive payments for the rest of your life. Upon your death, payment of your Income Benefit will stop and any remaining Lifetime Income Strategy account balance will pass on to your designated beneficiary(ies) under RTX Savings Plan.
- **Joint Life:** You are electing to receive payments for both your life and the life of your spouse—but at a lower amount than if you chose the Single Life Income Benefit. If you or your spouse dies, the remaining individual will continue to receive payments for the rest of his or her life. If you have Activated but not started to receive your Income Benefit, your surviving spouse will still be entitled to receive payments for the rest of his or her life. Once you Activate your Income Benefit, your spouse automatically becomes the primary beneficiary for your Lifetime Income Strategy Income Benefit and related balances. You are eligible to elect a Joint Life Income Benefit only if your spouse is at least age 45 at the time you Activate your Income Benefit. The election is irrevocable and the spouse you name is—and will remain—the only person eligible to receive survivor payments from the Joint Life Income Benefit in the event of your death. Even if you divorce and/or remarry after making this irrevocable election, you will not be able to name a new/future spouse to receive payments from the Joint Life Income Benefit. Consistent with federal law, the Plan recognizes same-sex marriages that were validly entered into in a state or foreign jurisdiction whose laws authorize same-sex marriages.