

TEXTRON



2021

PROXY STATEMENT
AND NOTICE OF
ANNUAL MEETING
OF SHAREHOLDERS

WEDNESDAY,
APRIL 28, 2021
AT 11:00 A.M.

Textron's Global Network of Businesses



TEXTRON AVIATION

Textron Aviation is home to the Beechcraft®, Cessna® and Hawker® aircraft brands and continues to be a leader in general aviation through two principal lines of business: aircraft and aftermarket. Aircraft includes sales of business jet, turboprop and piston aircraft, as well as special mission and military aircraft. Aftermarket includes commercial parts sales, maintenance, inspection and repair services.



BELL

Bell is a leading supplier of helicopters and related spare parts and services. Bell is the pioneer of the revolutionary tiltrotor aircraft. Globally recognized for world-class customer service, innovation and superior quality, Bell's global workforce serves customers flying Bell aircraft in more than 130 countries.



INDUSTRIAL

Our Industrial segment offers two main product lines: fuel systems and functional components produced by Kautex; and specialized vehicles such as golf cars, recreational and utility vehicles, aviation ground support equipment and professional mowers, manufactured by Textron Specialized Vehicles businesses.



TEXTRON SYSTEMS

Textron Systems' businesses provide innovative solutions to the defense, aerospace and general aviation markets. Product lines include unmanned systems, advanced marine craft, armored vehicles, intelligent software solutions, piston engines, simulation, training and other defense and aviation mission support products and services.



FINANCE

Our Finance segment, operated by Textron Financial Corporation (TFC), is a commercial finance business that provides financing solutions for purchasers of Textron products, primarily Textron Aviation aircraft and Bell helicopters. For more than five decades, TFC has played a key role for Textron customers around the globe.



Beechcraft

BY TEXTRON AVIATION

TEXTRON Systems



TEXTRON



NOTICE OF ANNUAL MEETING

To the Shareholders of Textron Inc.:

The 2021 annual meeting of shareholders of Textron Inc. will be held on Wednesday, April 28, 2021 at 11 a.m., Eastern time. **To support the health and well-being of our employees and shareholders, this year's meeting will be held virtually via a live audio webcast at www.virtualshareholdermeeting.com/TXT2021. Shareholders will not be able to attend the meeting in person.** At the meeting, our shareholders will be asked to do the following:

- 1 To elect the ten director nominees named in the proxy statement to hold office until the next annual shareholders' meeting;
- 2 To approve Textron's executive compensation on an advisory basis;
- 3 To ratify the appointment by the Audit Committee of Ernst & Young LLP as Textron's independent registered public accounting firm for 2021;
- 4 If properly presented at the meeting, to consider and act upon a shareholder proposal, set forth beginning on page 58 in the accompanying proxy statement, which is opposed by the Board of Directors; and
- 5 To transact any other business as may properly come before the meeting or any adjournment or postponement of the meeting.



Wednesday, April 28, 2021



11:00 a.m. Eastern Daylight Time



Virtual Meeting Site:

www.virtualshareholdermeeting.com/TXT2021

To be admitted to the Annual Meeting virtually, you will need to log-in to www.virtualshareholdermeeting.com/TXT2021 using the control number found on the proxy card, voting instruction form, Notice of Internet Availability of Proxy Materials or email, as applicable, sent or made available to shareholders entitled to vote at the Annual Meeting.

As permitted by the rules of the Securities and Exchange Commission, we are making our proxy materials available to shareholders primarily via the Internet, rather than mailing printed copies of these materials to shareholders. On March 5, 2021, we mailed to many of our shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access and review our proxy materials, including our Proxy Statement and the Annual Report to Shareholders, and vote online. This process is designed to expedite shareholders' receipt of proxy materials, lower the cost of the annual meeting, and help conserve natural resources. If you received a Notice by mail, you will not receive a printed copy of the proxy materials unless you request one. If you would prefer to receive printed proxy materials, please follow the instructions included in the Notice. Shareholders who requested paper copies of the proxy materials or previously elected to receive our proxy materials electronically did not receive the Notice and will receive the proxy materials in the format requested.

Whether or not you plan to attend the virtual meeting, we urge you to cast your vote as soon as possible so that your shares may be represented at the meeting. You may vote your shares via the Internet or by telephone by following the instructions included on the Notice. Alternatively, if you received paper copies of the proxy materials by mail, you can also vote by mail by following the instructions on the proxy card.

You are entitled to vote all shares of common stock registered in your name at the close of business on March 1, 2021. A list of shareholders entitled to vote at the 2021 annual meeting will be available for viewing during the Annual Meeting.

By order of the Board of Directors,

E. Robert Lupone
Executive Vice President, General Counsel and Secretary

Providence, Rhode Island
March 5, 2021

YOUR VOTE IS IMPORTANT

Brokers are not permitted to vote on the election of directors or on certain other proposals without instructions from the beneficial owner. Therefore, if your shares are held in the name of your broker or bank, it is important that you vote. We encourage you to vote promptly, even if you intend to attend the annual meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 28, 2021:

The Company's Proxy Statement for the 2021 Annual Meeting of Shareholders, the Annual Report to Shareholders for the fiscal year ended January 2, 2021 and the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2021 are available at <http://investor.textron.com/investors/investor-resources>. **The Company will provide by mail, without charge, a copy of its Annual Report on Form 10-K, at the request of shareholders. Please direct all inquiries to the Company at (401) 457-2288 or by submitting a written request to the Secretary at Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903.**

REVIEW THE PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:



BY TELEPHONE

Call the telephone number on your proxy card or voting instruction form.



BY MAIL

If you received your materials by mail, you can vote by mail by marking, dating and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.



BY INTERNET

You can vote your shares online at www.proxyvote.com.



BY ATTENDING THE VIRTUAL MEETING

Attend the virtual meeting and vote your shares during the meeting at www.virtualshareholdermeeting.com/TXT2021

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INFORMATION ABOUT THE ANNUAL MEETING

GENERAL

This proxy statement, which is first being made available to shareholders on or about March 5, 2021, is furnished in connection with the solicitation by the Board of Directors of Textron Inc. of proxies to be voted at the annual meeting of shareholders to be held on April 28, 2021, at 11:00 a.m. virtually via a live audio webcast and at any adjournments or postponements thereof. Shareholders will be able to attend the annual meeting, vote their shares and submit questions during the meeting at www.virtualshareholdermeeting.com/TXT2021.

SHAREHOLDERS WHO MAY VOTE

All shareholders of record at the close of business on March 1, 2021 will be entitled to vote. As of March 1, 2021, Textron had outstanding 226,925,206 shares of common stock, each of which is entitled to one vote with respect to each matter to be voted upon at the meeting. Proxies are solicited to give all shareholders who are entitled to vote on the matters that come before the meeting the opportunity to do so whether or not they attend the meeting.

INTERNET AVAILABILITY OF PROXY MATERIALS

As permitted by the rules of the Securities and Exchange Commission, we are making our proxy materials available to shareholders primarily via the Internet, rather than mailing printed copies of these materials to shareholders. On March 5, 2021, we mailed to many of our shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access and review our proxy materials, including our Proxy Statement and the Annual Report to Shareholders, and vote online.

This process is designed to expedite shareholders' receipt of proxy materials, lower the cost of the annual meeting, and help conserve natural resources. If you received a Notice by mail, you will not receive a printed copy of the proxy materials unless you request one. If you would prefer to receive printed proxy materials, please follow the instructions included in the Notice. Shareholders who requested paper copies of the proxy materials or previously elected to receive our proxy materials electronically did not receive the Notice and will receive the proxy materials in the format requested.

VOTING

Shareholders of record may vote via the Internet or by using the toll-free telephone number listed on the proxy card. Please follow the instructions for Internet or telephone voting provided on the proxy card or Notice. Alternatively, if you received paper copies of the proxy materials by mail, you can vote by mail by following the instructions on the proxy card. If you vote via the Internet or by telephone, please do not return a signed proxy card. Shareholders who hold their shares through a bank or broker can vote via the Internet or by telephone if these options are offered by the bank or broker. If you received the proxy materials in paper form from your bank or broker, the materials include a voting instruction form so you can instruct the holder of record on how to vote your shares.

If voting by mail, please complete, sign, date and return your proxy card enclosed with the proxy statement in the accompanying postage-paid envelope. You can specify how you want your shares voted on each proposal by marking the appropriate boxes on the proxy card. If your proxy card is signed and returned without specifying a vote or an abstention on any proposal, it will be voted according to the recommendation of the Board of Directors on that proposal. That recommendation is shown for each proposal on the proxy card.

You also may vote your shares during the Annual Meeting (up until the closing of the polls) by following the instructions available at www.virtualshareholdermeeting.com/TXT2021 if you attend the meeting.

SAVINGS PLAN PARTICIPANTS

If you are a participant in a Textron savings plan with the Textron stock fund as an investment option, when you vote via the Internet or by telephone, or your proxy card is returned properly signed, the plan trustee will vote your proportionate interest in the plan shares in the manner you direct, or if you vote by mail and make no direction, in proportion to directions received from the other plan participants (except for any shares allocated to your Tax Credit Account under the Textron Savings Plan which will be voted only as you direct). All directions will be held in confidence.

CHANGING OR REVOKING A PROXY

Whether voting by mail, via the Internet or by telephone, if you are a shareholder of record, you may change or revoke your proxy at any time before it is voted by submitting a new proxy with a later date, voting via the Internet or by telephone at a later time, delivering a written notice of revocation to Textron's Secretary, or voting during the meeting. If your shares are held in the name of your broker or bank, you may change or revoke your voting instructions by contacting the bank or brokerage firm or other nominee holding the shares or by voting during the annual meeting.

REQUIRED VOTE

A quorum is required to conduct business at the meeting. A quorum requires the presence, including by proxy, of the holders of a majority of the issued and outstanding shares entitled to vote at the meeting. Abstentions and broker "non-votes" are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when you fail to provide voting instructions to your broker for shares owned by you but held in the name of your broker and your broker does not have authority to vote without instructions from you. Under those circumstances, your broker may be authorized to vote for you without your instructions on routine matters but is prohibited from voting without your instructions on non-routine matters. The ratification of independent registered public accountants is a routine matter on which your broker may vote your shares without your instructions. Non-routine matters include the election of directors, the advisory vote to approve Textron's executive compensation and the shareholder proposal. Those items for which your broker cannot vote result in broker non-votes.

Election of each of the nominees for director requires a vote of the majority of the votes cast at the meeting, which means that the number of shares voted "for" a nominee for director must exceed the number of shares voted "against" that nominee. Abstentions and broker non-votes are not counted for this purpose and will have no effect on the outcome of the election.

Approval of all other matters to be voted on at the meeting requires the affirmative vote of a majority of the shares present or represented by proxy and entitled to vote on the matter. Abstentions will have the same effect as votes "against" the proposal, and broker non-votes (when applicable) will have no effect on the outcome of the vote.

COSTS OF PROXY SOLICITATION

Textron pays the cost of this solicitation of proxies. Textron will request that persons who hold shares for others, such as banks and brokers, solicit the owners of those shares and will reimburse them for their reasonable out-of-pocket expenses for those solicitations. In addition to solicitation by mail, Textron employees may solicit proxies by telephone, by electronic means and in person, without additional compensation for these services. Textron has hired Alliance Advisors, LLC of Bloomfield, New Jersey, a proxy solicitation organization, to assist in this solicitation process for a fee of \$16,500, plus reasonable out-of-pocket expenses.

CONFIDENTIAL VOTING POLICY

Under Textron's policy on confidential voting, individual votes of shareholders are kept confidential from Textron's directors, officers and employees, except for certain specific and limited exceptions. Comments of shareholders written on proxies or ballots are transcribed and provided to Textron's Secretary. Votes are counted by Broadridge Financial Solutions, Inc. and certified by an independent Inspector of Election.

ATTENDING THE MEETING

The live audio webcast of the Annual Meeting will begin promptly at 11:00 a.m. Eastern Time. Online access to the audio webcast will open 15 minutes prior to the start of the Annual Meeting to allow time for you to log-in and test your device's audio system. We encourage you to access the meeting in advance of the designated start time.

To be admitted to the Annual Meeting virtually, you will need to log-in to www.virtualshareholdermeeting.com/TXT2021 using the control number found on the proxy card, voting instruction form, Notice of Internet Availability of Proxy Materials or email, as applicable, sent or made available to shareholders entitled to vote at the Annual Meeting.

Beginning 15 minutes prior to, and during, the Annual Meeting, we will have support available to assist shareholders with any technical difficulties they may have accessing or hearing the virtual meeting. If you encounter any difficulty accessing, or during, the virtual meeting, please call the support team at the toll-free number on the virtual Annual Meeting log-in page which will be available beginning 15 minutes prior to the meeting.

You can view the Agenda and the Rules of Conduct for the Annual Meeting after you log-in to the virtual meeting website at www.virtualshareholdermeeting.com/TXT2021. Shareholders may submit questions related to the Company's business or governance or related to the items of business set forth on the Agenda during the Annual Meeting at www.virtualshareholdermeeting.com/TXT2021. The Rules of Conduct will also be available beginning five days prior to the Annual Meeting (on or prior to April 23, 2021) at www.proxyvote.com.

A webcast playback of the Annual Meeting will be available at www.virtualshareholdermeeting.com/TXT2021 within approximately 24 hours after the completion of the meeting. If any shareholder questions that comply with the Rules of Conduct are submitted but not answered during the meeting, we will post responses to those questions with the Annual Meeting materials on Textron's website, www.textron.com, under "Investors."

ELECTION OF DIRECTORS

BOARD MEMBERSHIP QUALIFICATIONS

The Board of Directors believes that the Board, as a whole, should possess a combination of skills, professional experience and diversity of backgrounds necessary to oversee the Company's business. Accordingly, the Board and the Nominating and Corporate Governance Committee consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board's membership criteria which are developed and recommended to the Board by the Nominating and Corporate Governance Committee. All of our current Board members share certain qualifications and attributes consistent with these criteria, which are set forth in the Company's Corporate Governance Guidelines and Policies and are summarized below:

Board Membership Criteria

Exemplary personal ethics and integrity

Core business competencies of high achievement and a record of success

Financial literacy and a history of making good business decisions and exposure to best practices

Enthusiasm for Textron and sufficient time to be fully engaged

Strong communications skills and confidence to ask tough questions

Interpersonal skills that maximize group dynamics, including respect for others

Specific skills and experience aligned with Textron's strategic direction and operating challenges and that complement the overall composition of the Board

NOMINEES FOR DIRECTOR

At the 2021 annual meeting, ten directors are to be elected to hold office until the 2022 annual meeting and until their successors have been elected and qualified. All ten nominees are currently Textron directors. It is the intention of the persons named as proxies for the annual meeting, unless otherwise instructed, to vote "for" each of the directors who have been nominated for election. If any director nominee is unable or unwilling to serve as a nominee at the time of the annual meeting, the persons named as proxies will vote for the balance of the nominees and may vote for a substitute nominee designated by the present Board.

Our Nominating and Corporate Governance Committee and our Board have determined that each of our directors has the experience, attributes and skills needed to collectively comprise an effective and well-functioning Board. Textron's directors have experience with businesses that operate in industries in which Textron operates or that involve skills that are integral to Textron's operations.

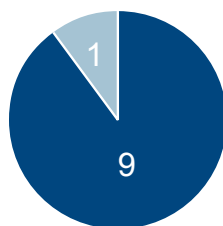
Our director nominees offer an effective mix of relevant experience and skills, as illustrated below (by percentage of board members):

Director Experience and Skills



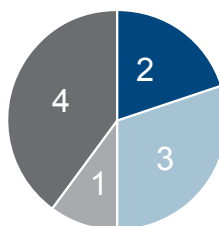
Although the Nominating and Corporate Governance Committee does not have a formal policy for considering diversity in identifying nominees for director, it seeks a variety of occupational and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives. During its recent refreshment process, increasing the diversity of the Board, including with respect to gender and racial diversity, was a significant focus in developing the pool from which we identified qualified director candidates. Our Board provides diverse and independent oversight, with director tenure that balances institutional knowledge with fresh perspectives, as illustrated below:

Number of Independent Directors



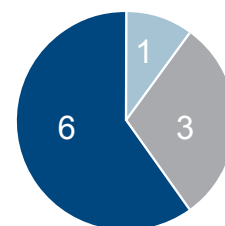
■ Independent
■ Non-Independent

Balanced Tenure



■ Under 5 years
■ 6-10 years
■ 11-15 years
■ Over 15 years

Gender/Racial/Ethnic Diversity



■ Diverse male
■ White female
■ White male

Biographical information about each nominee, as well as highlights of the specific experience, qualifications, attributes and skills of our individual Board members, are included below:



Scott C. Donnelly
Director Since 2009
Chairman

Experience, Qualifications, Attributes and Skills

- Significant experience in the aerospace and defense sector
- Deep operational experience in innovation, manufacturing, sales and marketing, portfolio management, talent development and business processes
- First-hand, real-time experience in, and understanding of, Textron operations

Mr. Donnelly, 59, is Chairman, President and Chief Executive Officer of Textron. Mr. Donnelly joined Textron in June 2008 as Executive Vice President and Chief Operating Officer and was promoted to President and Chief Operating Officer in January 2009. He was appointed to the Board of Directors in October 2009, became Chief Executive Officer of Textron in December 2009 and Chairman of the Board in September 2010. Previously, Mr. Donnelly was the President and CEO of General Electric (GE) Company's Aviation business unit, a position he had held since July 2005. GE's Aviation business unit is a leading maker of commercial and military jet engines and components as well as integrated digital, electric power and mechanical systems for aircraft. Prior to July 2005, Mr. Donnelly served as Senior Vice President of GE Global Research, one of the world's largest and most diversified industrial research organizations with facilities in the U.S., India, China and Germany and held various other management positions since joining GE in 1989. In 2013, Mr. Donnelly joined the board of directors of Medtronic plc.



Kathleen M. Bader
Director Since 2004

Experience, Qualifications, Attributes and Skills

- Comprehensive experience in strategic planning and change management
- Expertise in managing strategic business process implementation within global industrial business environments
- Extensive experience in advancing customer loyalty and employee satisfaction
- Expertise in expansion of international business

Ms. Bader, 70, was President and Chief Executive Officer of NatureWorks LLC, which makes proprietary plastic resins and was formerly known as Cargill Dow LLC, until her retirement in January 2006. Formerly, she was a Business President of a \$4.2 billion plastics portfolio at the Dow Chemical Company, a diversified chemical company. She joined Dow in 1973 and held various management positions in Dow's global and North American operations, before becoming Chairman, President and Chief Executive Officer of Cargill Dow LLC, at the time an equal joint venture between Dow and Cargill Incorporated, in February 2004. She assumed the position of President and Chief Executive Officer of NatureWorks in February 2005 following Cargill's acquisition of Dow's interest in Cargill Dow. Ms. Bader also served for seven years on President Bush's Homeland Security Advisory Council.



R. Kerry Clark
Director Since 2003

Experience, Qualifications, Attributes and Skills

- Extensive expertise in establishing brand equity worldwide and extending strategic initiatives globally
- Leadership skills in enhancing customer service and advancing customer relationships
- Significant experience in corporate governance, talent development, change management, marketing and business development
- Audit Committee Financial Expert

Mr. Clark, 68, is the retired Chairman and Chief Executive Officer of Cardinal Health, Inc., a leading provider of services supporting the health care industry. He joined Cardinal Health in April 2006 as President and Chief Executive Officer, became Chairman in November 2007 and retired in September 2009. Prior to joining Cardinal Health he was Vice Chairman of the Board, P&G Family Health, and a director of The Procter and Gamble Company, which markets consumer products in over 140 countries, from 2002–2006. He joined Procter and Gamble in 1974 and served in various key executive positions before becoming Vice Chairman of the Board in 2002 and held that position until leaving the company in April 2006. Mr. Clark became a director of General Mills, Inc. in 2009 and a director of Anthem, Inc. in 2014. He served as a director of Avnet, Inc. from 2012 through 2019.



James T. Conway
Director Since 2011

Experience, Qualifications, Attributes and Skills

- Experience managing complex operational and strategic issues
- Deep understanding of the U.S. military
- Broad knowledge of the defense industry and international security issues
- Demonstrated leadership and management skills

Mr. Conway, 73, is a retired General in the United States Marine Corps who served as the 34th Commandant of the Marine Corps from 2006 through his retirement in 2010 and concurrently as a member of the Joint Chiefs of Staff. Prior to being named Commandant, Mr. Conway served as Director of Operations (J-3) on the Joint Chiefs of Staff. Among his previous postings were Commanding General of I Marine Expeditionary Force from 2002 through 2004 (which involved two combat tours in Iraq), Commanding General of the 1st Marine Division, and President of the Marine Corps University. Mr. Conway has been a director of Vislink Technologies, Inc. (formerly, xG Technology, Inc.) since 2015.



Paul E. Gagné
Director Since 1995
Lead Director

Experience, Qualifications, Attributes and Skills

- Significant executive management and financial management experience
- Expertise in corporate strategic planning and risk management
- Considerable experience with Canadian business opportunities and practices and other international business opportunities
- Audit Committee Financial Expert

Mr. Gagné, 74, is the retired Chairman of Wajax Corporation, a leading Canadian distributor and support service provider of mobile equipment, industrial components and power systems, a position he had held from 2006 until his retirement in 2018. He previously was President and Chief Executive Officer of Avenor Inc., a publicly-traded Canadian forest products company, serving in that capacity from 1991 until November 1997, when he left the company. In 1998, Mr. Gagné joined Kruger Inc., a Canadian privately held producer of paper and tissue, as a consultant in corporate strategic planning, serving in that capacity until December 2002. He also served as a director of Norbord Inc. (formerly, Ainsworth Lumber Co. Ltd.) from 2011 through its merger with another company in February 2021, and he previously served as a director of CAE Inc. from 2006 through 2017.



Ralph D. Heath
Director Since 2017

Experience, Qualifications, Attributes and Skills

- Extensive expertise in developing and growing business within the aerospace and defense industry
- Deep understanding of working with the Department of Defense, including government defense program management
- Significant experience in international business development in aerospace and defense markets
- Audit Committee Financial Expert

Mr. Heath, 72, is the retired Executive Vice President—Aeronautics of Lockheed Martin Corporation, a global security and aerospace company. He joined Lockheed in 1975 and became Executive Vice President & Chief Operating Officer, Aeronautics in 1999 until his appointment in 2002 as Executive Vice President & General Manager, F-22 Raptor Program. In 2005, he became Executive Vice President—Aeronautics, a role he held until his retirement in 2012. During his tenure, Mr. Heath led the revitalization of the C-130 program, international expansion of the F-16 program, and the development and delivery of the F-22 and F-35 fighter aircraft. Mr. Heath served on the Board of Directors of Hawker Beechcraft from 2013-2014, prior to Textron's acquisition of the Beechcraft business.



Deborah Lee James
Director Since 2017

Experience, Qualifications, Attributes and Skills

- Deep expertise in national security
- Significant experience in U.S. government procurement and logistics
- Demonstrated leadership and management skills
- Extensive experience in the cybersecurity field

Ms. James, 62, is the retired 23rd Secretary of the United States Air Force, a position she held from December 2013 to January 2017. Prior to her role as Secretary of the Air Force, Ms. James held various executive positions during a 12-year tenure at Science Applications International Corporation (SAIC), a provider of services and solutions in the areas of defense, health, energy, infrastructure, intelligence, surveillance, reconnaissance and cybersecurity to agencies of the U.S. Department of Defense (DoD), the intelligence community, the U.S. Department of Homeland Security, foreign governments and other customers, most recently serving as Sector President, Technical and Engineering of the Government Solutions Group. Earlier in her career, Ms. James served as Professional Staff Member for the House Armed Services Committee and as the DoD Assistant Secretary of Defense for Reserve Affairs. Ms. James joined the board of directors of Unisys Corporation in 2017.



Lionel L. Nowell III
Director Since 2020

Experience, Qualifications, Attributes and Skills

- Deep expertise in treasury functions, including debt, investments, capital markets strategies, foreign exchange and insurance
- Significant experience in financial reporting and accounting of large international businesses
- Extensive global perspective in risk management and strategic planning
- Audit Committee Financial Expert

Mr. Nowell, 66, is the retired Senior Vice President and Treasurer of PepsiCo, Inc., a worldwide food and beverage company, where he managed a global staff with responsibility for the company's worldwide Treasury function. He joined PepsiCo in 1999 as Senior Vice President and Corporate Controller, and from 2000-2001 served as the Executive Vice President and Chief Financial Officer of Pepsi Bottling Group, Inc. before being named Senior Vice President and Treasurer of PepsiCo in 2001, a role he held until his retirement in 2009. Prior to PepsiCo, Mr. Nowell served as Senior Vice President, Strategy and Business Development at RJR Nabisco from 1998 to 1999 and from 1991 to 1998, he held various senior financial roles at the Pillsbury division of Diageo plc, including Chief Financial Officer of its Pillsbury North America, Pillsbury Foodservice and Häagen-Dazs businesses. Earlier in his career, he held finance roles at Pizza Hut, which at the time was a division of PepsiCo, and Owens Corning. Mr. Nowell served as a director of American Electric Power Company from 2004 to 2020. He has served as a director of Bank of America Corporation since 2013 and Ecolab Inc. since 2018.



James L. Ziemer
Director Since 2007

Experience, Qualifications, Attributes and Skills

- Extensive expertise in establishing brand equity worldwide
- Leadership experience in fostering outstanding customer satisfaction and loyalty
- Significant experience with the captive finance business model

Mr. Ziemer, 71, was the President and Chief Executive Officer and a director of Harley-Davidson, Inc. until his retirement in April 2009. Harley-Davidson, Inc. is the parent company for the group of companies doing business as Harley-Davidson Motor Company which design, manufacture and sell motorcycles and related parts and accessories, and Harley-Davidson Financial Services, which provides related financing and insurance. Mr. Ziemer had been a director of Harley-Davidson, Inc. since December 2004 and was named President and Chief Executive Officer in April 2005. He previously served as Vice President and Chief Financial Officer of Harley-Davidson from December 1990 to April 2005 and President of the Harley-Davidson Foundation, Inc. from 1993 to 2006. Mr. Ziemer is also a director of Thor Industries, Inc. (since 2010).



Maria T. Zuber
Director Since 2016

Experience, Qualifications, Attributes and Skills

- Extensive expertise in scientific research
- Considerable leadership experience, including in relationships with the federal government
- Deep understanding of emerging technologies

Ms. Zuber, 62, is the Vice President for Research and the E.A. Griswold Professor of Geophysics at the Massachusetts Institute of Technology where she has been a member of the faculty in the Department of Earth, Atmospheric and Planetary Sciences since 1995. In her role as Vice President for Research, to which she was appointed in 2013, she has overall responsibility for research administration and policy at MIT, overseeing MIT Lincoln Laboratory and more than a dozen interdisciplinary research laboratories and centers, and plays a central role in research relationships with the federal government. Since 1990, she has held leadership roles associated with scientific experiments or instrumentation on ten NASA missions. In 2013, President Obama appointed Ms. Zuber to the National Science Board, and, in 2018 she was reappointed by President Trump. She served as Board Chair from 2016-2018. In December 2017, Ms. Zuber became a director of Bank of America Corporation. In January 2021, Ms. Zuber was nominated by President Biden to serve as co-chair of the President's Council of Advisors on Science and Technology.



The Board of Directors recommends a vote “FOR” each of the director nominees (Items 1a through 1j on the proxy card).

CORPORATE GOVERNANCE

GOVERNANCE HIGHLIGHTS

Textron is committed to sound corporate governance practices, including the following:

Director Independence

- 9 of our 10 director nominees are independent, with our CEO being the only management director.
- Our three principal Board committees, the Audit, Nominating and Corporate Governance, and Organization and Compensation Committees, are each comprised of entirely independent directors.
- The independent directors meet regularly in executive session without management present.

Independent Lead Director

- Our independent directors elect a director from among them to serve as Lead Director, generally for a three-year term, with annual ratification.
- The Lead Director is assigned clearly defined and expansive duties.
- The Lead Director presides at executive sessions of the independent directors without management present at each regularly scheduled Board meeting.

Board Accountability and Practices

- All directors must stand for election annually and be elected by a majority of votes cast in uncontested elections.
- During 2020, each director attended at least 75% of the total number of Board and applicable committee meetings, and all director nominees attended the Annual Meeting of Shareholders.
- The Board and each of its three principal committees perform annual self-evaluations.
- Directors may not stand for reelection after their 75th birthday.

Shareholder Rights

- Shareholders holding 25% of our outstanding shares may call a special meeting of shareholders.
- Our By-Laws provide for proxy access to allow eligible shareholders to include their own director nominees in the Company's proxy materials.

Textron Stock

- We have robust stock ownership requirements for both our directors and our senior executives, all of whom currently meet their respective requirements.
- Our executives and our directors are prohibited from hedging or pledging Textron securities.

DIRECTOR INDEPENDENCE

The Board of Directors has determined that Mses. Bader, James and Zuber and Messrs. Clark, Conway, Gagné, Heath, Nowell and Ziemer, are independent, as defined under the listing standards of the New York Stock Exchange, based on the criteria set forth in the Textron Corporate Governance Guidelines and Policies which are posted on Textron's website as described below. The Board had previously determined that Lawrence K. Fish and Lloyd G. Trotter, both of whom served as a director for a portion of 2020, were independent under such standards as well. In making its determination, the Board examined relationships between directors or their affiliates with Textron and its affiliates and determined that each such relationship did not impair the director's independence. Specifically, the Board considered the fact that, in 2020, the Textron Charitable Trust made a \$20,000 donation to The Marine Corps University Foundation, an organization for which Mr. Conway served as Chairman through October 2020, and a \$20,000 donation to the Semper Fi Wounded Warrior Fund, an organization for which Mr. Conway's wife serves as Board Vice President. In addition, the Board considered that, in 2020, the Textron Charitable Trust made a \$50,000 donation to The Atlantic Council, an organization for which Ms. James serves as a director. Textron has supported The Atlantic Council since 2002, with the amount of its contribution being \$50,000 annually since 2011. The Board determined that these donations have not compromised either director's independence as a Textron director.

LEADERSHIP STRUCTURE

Historically, as reflected in Textron's Corporate Governance Guidelines and Policies, the Board has determined that the practice of combining the positions of Chairman of the Board and Chief Executive Officer serves the best interests of Textron and its shareholders. This is because the Board believes that the CEO, with his extensive knowledge of the Company's businesses and full time focus on the business affairs of the Company, makes a more effective Chairman than an independent director, especially given the size and multi-industry nature of the Company's business. The Board has committed to review, at least once every two years, whether combining these positions serves the best interests of Textron and its shareholders.

Our independent directors elect a Lead Director from among them for what is expected to be a three-year term with the appointment ratified annually. Currently, Mr. Gagné serves as Lead Director. Following the Annual Meeting, Mr. Clark will assume the role of Lead Director as Mr. Gagné will have completed his three-year term. The Lead Director is assigned clearly defined and expansive duties under our Corporate Governance Guidelines and Policies, including:

- Presiding at all meetings of the Board at which the Chairman is not present, including all executive sessions of the Board;
- Serving, when needed, as liaison between the CEO and the independent directors;
- Identifying, together with the CEO, key strategic direction and operational issues upon which the Board's annual core agenda is based;
- Discussing agenda items and time allocated for agenda items with the CEO prior to each Board meeting, including the authority to make changes and approve the agenda for the meeting;
- Determining the type of information to be provided to the directors for each scheduled Board meeting;
- Convening additional executive sessions of the Board;
- Being available for consultation and direct communication with Textron shareholders; and
- Such other functions as the Board may direct.

Textron's Corporate Governance Guidelines and Policies also require that the Board meet in executive session for independent directors without management present at each regularly scheduled Board meeting. Textron's Lead Director presides at these sessions and at any additional executive sessions convened at the request of a director. During 2020, the independent directors met in executive session without management present during each of the Board's six regularly scheduled meetings.

The functions of the Board are carried out by the full Board, and, when delegated, by the Board committees, with each director being a full and equal participant. The Board is committed to high standards of corporate governance and its Corporate Governance Guidelines and Policies were designed, in part, to ensure the independence of the Board and include a formal process for the evaluation of CEO performance by all non-management Board members. The evaluation

is used by the Organization and Compensation Committee as a basis to recommend the compensation of the CEO. In addition, the Audit Committee, the Nominating and Corporate Governance Committee and the Organization and Compensation Committee are composed entirely of independent directors. Each of these committees' charters provides that the committee may seek the counsel of independent advisors and each routinely meets in executive session without management present. The Board and each of its three principal committees perform an annual self-evaluation.

MEETING ATTENDANCE























During 2020, the Board of Directors held six regular meetings and one special meeting. Directors are expected to regularly attend Board meetings and meetings of committees on which they serve, as well as the annual meeting of shareholders. Each director attended at least 75% of the total number of Board and applicable committee meetings. All directors attended the 2020 annual meeting of shareholders.

OTHER DIRECTORSHIPS

Textron's Corporate Governance Guidelines and Policies provide that non-management directors may serve on four other public company boards, provided that, in the case of a director who is a chief executive officer of a public company, the limit is two other such boards.

BOARD COMMITTEES

The Board of Directors has established the following three standing committees to assist in executing its duties: Audit, Nominating and Corporate Governance, and Organization and Compensation. The primary responsibilities of each of the committees are described below, together with the current membership and number of meetings held in 2020. Each of these committees is composed entirely of independent, non-management directors. Each of these committees has a written charter. Copies of these charters are posted on Textron's website, www.textron.com, under "Investors—Corporate Governance—Committee Charters," and are also available in print upon request to Textron's Secretary.

Member Name	AUDIT COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE	ORGANIZATION AND COMPENSATION COMMITTEE
Kathleen M. Bader			
R. Kerry Clark	 		
James T. Conway			
Paul E. Gagné*	 		
Ralph D. Heath	 		
Deborah Lee James			
Lionel L. Nowell III	 		
James L. Ziemer			
Maria T. Zuber			
	 Member	 Chair	 Audit Committee Financial Expert

* Lead Director

AUDIT COMMITTEE		Meetings in 2020: 6
R. Kerry Clark (Chair) Kathleen M. Bader Paul E. Gagné Ralph D. Heath Lionel L. Nowell III Deborah Lee James	Primary Responsibilities: <ul style="list-style-type: none"> Assists the Board with its oversight of (i) the integrity of Textron's financial statements, (ii) Textron's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, (iv) the performance of Textron's internal audit function and independent auditor, and (v) risk management Directly responsible for the appointment, compensation, retention and oversight of Textron's independent auditors 	

The Board has determined that each member of the Audit Committee is independent as defined under the listing standards of the New York Stock Exchange applicable to audit committee members. No member of the committee simultaneously serves on the audit committees of more than three public companies. The Board of Directors has determined that Mr. Clark, Mr. Gagné, Mr. Heath and Mr. Nowell each are "audit committee financial experts" under the criteria adopted by the Securities and Exchange Commission. Following the Annual Meeting, Mr. Clark, who will have completed his term as Chair of the Audit Committee, will step down as Chair, remaining on the committee, and Mr. Nowell will assume the role of Chair of the committee.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE		Meetings in 2020: 3
James T. Conway (Chair) Kathleen M. Bader Deborah Lee James Lionel L. Nowell III Maria T. Zuber	Primary Responsibilities: <ul style="list-style-type: none"> Identifies individuals to become Board members and recommends that the Board select the director nominees for the next annual meeting of shareholders, considering suggestions regarding possible candidates from a variety of sources, including shareholders Develops and recommends to the Board a set of corporate governance principles applicable to Textron Oversees the evaluation of the Board and its committees Annually reviews the Board's committee structure, charters and membership Makes recommendations on compensation of the Board after conducting an annual review of director compensation and benefits program, consulting with independent board compensation advisors, as appropriate Annually reviews the Board's composition, appropriate size of the Board, results of the review of the Board's overall performance and the strategy of the Company to determine future requirements for Board members Assists the Board of Directors in fulfilling its oversight responsibilities relating to the Company's policies and practices regarding environmental, social and governance matters that are significant to the Company 	

The Board has determined that each member of the Nominating and Corporate Governance Committee is independent as defined under the New York Stock Exchange listing standards. Following the Annual Meeting, Mr. Clark will join the Nominating and Corporate Governance Committee, replacing Mr. Nowell who will become Chair of the Audit Committee.

ORGANIZATION AND COMPENSATION COMMITTEE

Meetings in 2020: 7

James L. Ziemer (Chair)

Paul E. Gagné

Ralph D. Heath

Maria T. Zuber

Primary Responsibilities:

- Approves compensation arrangements, including merit salary increases and any annual and long-term incentive compensation, with respect to the Chief Executive Officer and other executive officers of the Company
- Oversees and, where appropriate, takes actions with respect to compensation arrangements applicable to other corporate officers
- Amends any executive compensation plan or nonqualified deferred compensation plan of the Company and its subsidiaries to the same extent that the plan may be amended by the Board
- Administers the executive compensation plans and nonqualified deferred compensation plans of the Company and its subsidiaries
- Approves the Chief Executive Officer's and other executive officers' responsibilities and performance against pre-established performance goals
- Plans for the succession of the Company's management, including with respect to the development and diversity of Company management

See the Compensation Discussion and Analysis (CD&A) beginning on page 23 for more information on the Organization and Compensation Committee's processes and the role of management and consultants in determining the form and amount of executive compensation. The Board of Directors has determined that each member of the committee is independent as defined under the New York Stock Exchange listing standards applicable to compensation committee members.

EXECUTIVE COMMITTEE

Textron's Board also maintains an Executive Committee which has the power, between meetings of the Board of Directors, to exercise all of the powers of the full Board, except as specifically limited by Textron's By-Laws and Delaware law. Currently, Mr. Donnelly, Mr. Clark, Mr. Conway, Mr. Gagné and Mr. Ziemer comprise the Executive Committee, which did not meet during 2020.

RISK OVERSIGHT

The Board oversees the Company's enterprise risk management process. Management reviews the process, including identification of key risks and steps taken to address them, with the full Board on a periodic basis. These reviews occur at an annual dedicated risk management session and as part of the Board's annual review of the Company's strategy. Although the full Board is responsible for this oversight function, the Organization and Compensation Committee, the Nominating and Corporate Governance Committee and the Audit Committee assist the Board in discharging its oversight duties.

The Organization and Compensation Committee reviews risks related to the subject matters enumerated in its charter, including risks associated with the Company's compensation programs, and assesses whether risks arising from the Company's compensation policies and practices for senior executives are reasonably likely to have a material adverse effect on the Company. The Nominating and Corporate Governance Committee considers risks related to the subject matters for which it is responsible as identified in its charter, including risks associated with corporate governance. Similarly, the Audit Committee discusses with management and the independent auditor, as appropriate, (i) risks related to its duties and responsibilities as described in its charter, (ii) management's policies and processes for risk assessment and risk management, including with respect to cybersecurity risks, and (iii) in the period between the Board's risk oversight reviews, management's evaluation of the Company's major risks and the steps management has taken or proposes to take to monitor and mitigate such risks.

Accordingly, while each of the three committees contributes to the risk management oversight function by assisting the Board in the manner outlined above, the Board itself remains ultimately responsible for the oversight of risk, and receives report outs from each of the committees, as well as periodic reports from management addressing the various risks, including those related to financial and other performance, cybersecurity and human capital matters.

CORPORATE GOVERNANCE GUIDELINES AND POLICIES

Textron's Corporate Governance Guidelines and Policies, originally adopted in 1996 and most recently revised in February 2020, meet or exceed the listing standards adopted by the New York Stock Exchange and are posted on Textron's website, www.textron.com, under "Investors—Corporate Governance—Corporate Governance Guidelines and Policies," and are also available in print upon request to Textron's Secretary.

CODE OF ETHICS

Textron's Business Conduct Guidelines, originally adopted in 1979 and most recently revised in September 2010, are applicable to all employees of Textron, including the principal executive officer, the principal financial officer and the principal accounting officer. The Business Conduct Guidelines are also applicable to directors with respect to their responsibilities as members of the Board of Directors. The Business Conduct Guidelines are posted on Textron's website, www.textron.com, under "Corporate Responsibility—Ethics and Compliance—Textron's Business Conduct Guidelines," and are also available in print upon request to Textron's Secretary. We intend to post on our website, at the address specified above, any amendments to the Business Conduct Guidelines or the grant of a waiver from a provision of the Business Conduct Guidelines requiring disclosure under applicable Securities and Exchange Commission rules within four business days following the date of the amendment or waiver.

BOARD OVERSIGHT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

The Board of Directors recently revised the charter of the Nominating and Corporate Governance Committee to specifically include as one of its responsibilities assisting the Board in fulfilling its oversight responsibilities relating to the Company's policies and practices regarding environmental, social and governance ("ESG") matters that are significant to the Company. Our other Board Committees also have oversight responsibility for ESG topics under their purview. The Executive Vice President, General Counsel and Chief Compliance Officer of the Company reports to the Audit Committee of the Board of Directors on both legal, ethics and compliance matters and environmental, health and safety matters at each Audit Committee meeting. The Organization and Compensation Committee has oversight of management succession, talent development and diversity and inclusion efforts. The Audit Committee and the full Board are also directly engaged with E&S risk areas through our comprehensive enterprise risk management program.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Textron is committed to being a responsible corporate citizen. Our corporate responsibility efforts include the following focus areas:

- Working to decrease the environmental impact of our business activities throughout our operations
 - In 2020 we established a new set of enterprise-wide 5-year improvement goals specific to the following areas of focus: greenhouse gas emissions, energy use, water use and waste generation.
 - Textron's business will strive to achieve the following goals by 2025: 1) reduce greenhouse gas emission intensity by 20%; 2) reduce energy use intensity by 10%; 3) reduce water use intensity by 10%; and 4) reduce waste generation intensity by 10%.
- Enhancing workplace safety and the health and well-being of our employees
 - Our Global Environmental Health and Safety (EHS) Policies and Standards establish a management system framework that includes goal setting, risk reduction, compliance auditing, and performance reporting throughout the enterprise. The program is guided by the Textron EHS Council, whose members include the senior EHS leaders from the Textron corporate office and each business unit. We use an annual goal setting process to drive injury rate improvements. Performance to the injury rate reduction goal is reported to senior leadership and the Audit Committee of the Board.
- Offering our employees opportunities to grow and develop their careers
 - Our talent development programs are designed to prepare our employees at all levels to take on new career and growth opportunities at Textron. Leadership, professional and functional training courses are tailored for employees at each stage of their careers and include a mix of enterprise-wide and business unit-specific programs.

- The current and future talent needs of each of our businesses are assessed annually through a formal talent review process which enables us to develop leadership succession plans and provide our employees with potential new career opportunities. In addition, leaders from functional areas within each business belong to enterprise-wide councils which conduct annual talent reviews. These processes enable us to fill talent needs by matching employees who are ready to assume significant leadership roles with opportunities that best fit their career paths, which may be in other businesses within the enterprise.
- Working to increase the diversity of our workforce and supporting inclusive workplaces
 - Textron is committed to having a diverse workforce and inclusive workplaces throughout our global operations. We believe by employing highly talented, diverse employees, who feel valued, respected and are able to contribute fully, we will improve performance, innovation and collaboration and drive talent retention, all of which contribute to stronger business results and reinforce our reputation as leaders in our industries and communities.
 - For over a decade, Textron has allocated five percent of annual incentive compensation for management-level employees toward achievement of diversity goals. As described in the CD&A, beginning in 2020, we focused these goals specifically on hiring diversity and took various actions to improve our outreach to diverse candidates.

Each year we publish a Corporate Responsibility Report which highlights the actions we have taken during the past year in these and other environmental, social and governance focus areas. The report is available on our website at [Textron.com/CorpResponsibility/corporate-responsibility-report](https://www.textron.com/CorpResponsibility/corporate-responsibility-report). Information in the Corporate Responsibility Report and on our website is not incorporated by reference into this Proxy Statement or considered to be part of this document.

SHAREHOLDER COMMUNICATIONS TO THE BOARD

Shareholders or other interested parties wishing to communicate with the Board of Directors, the Lead Director, the non-management directors as a group or with any individual director may do so by calling (866) 698-6655 (toll-free) or (401) 457-2269, writing to Board of Directors at Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903, or by e-mail to textrondirectors@textron.com. The telephone numbers and addresses are also listed on the Textron website. All communications received via the above methods will be sent to the Board of Directors, the Lead Director, the non-management directors or the specified director.

DIRECTOR NOMINATIONS

Nominees suggested by shareholders will be communicated to the Nominating and Corporate Governance Committee for consideration in the committee's selection process. Shareholder-recommended candidates are evaluated using the same criteria used for other candidates. The committee also periodically retains a third-party search firm to assist in the identification and evaluation of candidates.

Textron's By-Laws contain a provision which imposes certain requirements upon nominations for directors made by shareholders, including proxy access nominees, at the annual meeting of shareholders or a special meeting of shareholders at which directors are to be elected. Shareholders wishing to nominate an individual for director at the annual meeting must submit timely notice of nomination within the time limits described below, under the heading "Shareholder Proposals and Other Matters for 2022 Annual Meeting" on page 61, to the committee, c/o Textron's Secretary, along with the information described in our By-Laws.

All candidates are evaluated against the Board's needs and the criteria for membership to the Board set forth above. The committee must also take into account our By-Laws which provide, without provision for exemption, condition or waiver, that no person shall be elected a director who has attained the age of 75. In addition, the Corporate Governance Guidelines and Policies provide that a substantial majority of the Company's directors must be independent under the standards of the New York Stock Exchange. All recommendations of nominees to the Board by the committee are made solely on the basis of merit.

COMPENSATION OF DIRECTORS

During 2020, for their service on the Board, non-employee directors were paid an annual cash retainer of \$125,000 and, on the date of the 2020 Annual Meeting, were issued stock-settled restricted stock units ("RSUs"), valued at \$145,000. The RSUs will vest in one year unless the director elects to defer settlement of the RSUs until the director's separation from service on the Board. The annual cash retainer and the RSUs are prorated for directors who serve on the Board for a portion of the year.

Each member of the Audit Committee (including the chair) received an additional cash retainer of \$15,000, and the chairs of the Audit Committee, the Nominating and Corporate Governance Committee and the Organization and Compensation Committee received, respectively, an additional \$15,000, \$15,000 and \$20,000, and the Lead Director received an additional \$35,000. In addition, Textron reimburses each director for his or her expenses in attending Board or committee meetings.

Textron maintains a Deferred Income Plan for Non-Employee Directors (the "Directors' Deferred Income Plan") under which they can defer all or part of their cash compensation until retirement from the Board. Deferrals are made either into an interest-bearing account which bears interest at a monthly rate that is one-twelfth of the greater of 8% and the average for the month of the Moody's Corporate Bond Yield Index, but in either case, not to exceed a monthly rate equal to 120% of the Applicable Federal Rate as provided under Section 1274(d) of the Internal Revenue Code, or into an account consisting of Textron stock units, which are equivalent in value to Textron common stock. Textron credits dividend equivalents to the stock unit account. Prior to the 2020 Annual Meeting, non-employee directors' retainers were structured as cash arrangements, but non-employee directors were required to defer a portion of their annual retainer into the stock unit account. As reflected in the table below, the prorated amount of their 2020 retainers that were mandatorily deferred as stock units was \$48,333.

Textron sponsors a Directors Charitable Award Program that was closed to new participants in 2004. Under the program, Textron contributes up to \$1,000,000 to the Textron Charitable Trust on behalf of each participating director upon his or her death, and the Trust donates 50% of that amount in accordance with the director's recommendation among up to five charitable organizations. Textron currently maintains life insurance policies on the lives of the participating directors, the proceeds of which may be used to fund these contributions. The premiums on the policies insuring our current directors who participate in this program (Ms. Bader and Messrs. Clark and Gagné) have been fully paid so there were no expenditures associated with these policies during 2020. The directors do not receive any direct financial benefit from this program as the insurance proceeds and charitable deductions accrue solely to Textron. Non-employee directors also are eligible to participate in the Textron Matching Gift Program under which Textron will match contributions of directors and full-time employees to eligible charitable organizations at a 1:1 ratio up to a maximum of \$7,500 per year.

Non-employee directors are eligible to receive awards granted under the Textron Inc. 2015 Long-Term Incentive Plan. In addition to the RSUs described above, they receive a one-time grant of 2,000 shares of restricted stock (the "Restricted Shares") upon joining the Board. The Restricted Shares do not vest until the director has completed at least five years of Board service and all successive terms of Board service to which he or she is nominated and elected or in the event of death or disability or a change in control of Textron.

None of our directors receive compensation for serving on the Board from any shareholder or other third party. Employee directors do not receive fees or other compensation for their service on the Board or its committees.

Director Compensation Table

The following table provides 2020 compensation information for our directors other than Mr. Donnelly, whose compensation is reported in the Summary Compensation Table on page 41.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	All Other Compensation (\$) ⁽²⁾	Total (\$)
Kathleen M. Bader	140,000	193,333		333,333
R. Kerry Clark	155,000	193,333	15,000	363,333
James T. Conway	140,000	193,333	5,500	338,833
Lawrence K. Fish ³	41,667	48,333		90,000
Paul E. Gagné	175,000	193,333		368,333
Ralph D. Heath	140,000	193,333		333,333
Deborah Lee James	140,000	193,333	15,000	348,333
Lionel L. Nowell III	140,000	193,333		333,333
Lloyd G. Trotter ³	46,667	48,333	7,500	102,500
James L. Ziemer	145,000	193,333	7,500	345,833
Maria T. Zuber	125,000	193,333		318,333

- (1) The amounts in this column represent the sum of (i) \$48,333 which is the amount of the director's annual retainer mandatorily deferred into the stock unit account under the Directors Deferred Income Plan prorated for their service as directors during 2020 prior to the Annual Meeting at which RSUs were first granted; and (ii) for directors who were re-elected at the Annual Meeting, the grant date fair value of the RSUs issued on the date of the Annual Meeting which was \$145,000.
- (2) The amounts in this column represent the amounts of matching contributions made by the Company on behalf of participating directors pursuant to the Textron Matching Gift Program. Amounts over \$7,500 for an individual director were paid in 2020 to match gifts made in 2019.
- (3) Both Mr. Fish and Mr. Trotter retired from the Board effective as of the 2020 Annual Meeting of Shareholders.

DIRECTOR STOCK OWNERSHIP REQUIREMENTS

In order to align the financial interests of our directors with the interests of our shareholders, we require that our directors maintain a specified level of stock ownership equal to eight times the portion of their annual retainer payable in cash. Toward this end, prior to 2020 we required all non-employee directors to defer a minimum of \$135,000 of their annual retainer into the stock unit account of the Directors' Deferred Income Plan and, in 2020, we issued RSUs to directors valued at \$145,000. All directors currently meet the stock ownership requirement, which allows them to achieve the required level of ownership over time in the case of directors who have more recently joined the Board. We also have a stock retention policy restricting non-employee directors from transferring the Restricted Shares or the stock units credited under the Directors' Deferred Income Plan while they serve on the Board. To the extent that directors do not defer settlement of their RSUs, they may not sell shares of common stock received upon vesting of RSUs unless the stock ownership requirement has been met.

ANTI-HEDGING AND PLEDGING POLICY

Our directors are prohibited from (i) pledging Textron securities as collateral for any loan or holding Textron securities in a margin account or (ii) engaging in short sales of Textron securities or transactions in publicly-traded options or derivative securities based on Textron's securities.

SECURITY OWNERSHIP

The following table sets forth information regarding the beneficial ownership of our common stock as of January 1, 2021, unless otherwise noted, by:

- Each person or group known by us to own beneficially more than 5% of our common stock;
- Each of our directors;
- Each of our named executive officers, as defined under Securities and Exchange Commission rules (“NEOs”); and
- All of our current directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes any shares over which a person exercises sole or shared voting or investment power. Shares of common stock subject to options that are exercisable, or restricted stock units that will vest, within 60 days of January 1, 2021, and shares held for the executive officers by the trustee under the Textron Savings Plan, are considered outstanding and beneficially owned by the person holding the option or unit or participating in the Plan but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Each shareholder listed below has sole voting and investment power with respect to the shares beneficially owned, except in those cases in which the voting or investment power is shared with the trustee or as otherwise noted.

Directors and Executive Officers	Number of Shares of Common Stock	Percent of Class
Kathleen M. Bader	12,775 ⁽¹⁾	*
R. Kerry Clark	7,000 ⁽¹⁾	*
Frank T. Connor	656,669 ⁽²⁾⁽³⁾	*
James T. Conway	2,039 ⁽¹⁾	*
Scott C. Donnelly	2,310,908 ⁽²⁾⁽³⁾	1.0%
Julie G. Duffy	78,081 ⁽²⁾⁽³⁾	*
Paul E. Gagné	5,268 ⁽¹⁾	*
Ralph D. Heath	2,000 ⁽¹⁾	*
Deborah Lee James	2,012 ⁽¹⁾	*
E. Robert Lupone	274,153 ⁽²⁾⁽³⁾	*
Lionel L. Nowell III	2,000 ⁽¹⁾	*
James L. Ziemer	2,157 ⁽¹⁾	*
Maria T. Zuber	2,013 ⁽¹⁾	*
All current directors and executive officers as a group (13 persons)	3,357,075	1.5%
Beneficial Holders of More than 5%		
BlackRock, Inc. ⁽⁴⁾	17,026,249	7.5%
Invesco Ltd. ⁽⁵⁾	13,812,175	6.1%
T. Rowe Price Associates, Inc. ⁽⁶⁾	35,126,171	15.5%
The Vanguard Group, Inc. ⁽⁷⁾	23,766,325	10.5%

* Less than 1% of the outstanding shares of common stock.

(1) Excludes (i) stock units held by our non-employee directors under the Directors Deferred Income Plan that are paid in cash following termination of service as a director, based upon the value of Textron common stock, as follows: Ms. Bader, 64,975 shares; Mr. Clark, 83,771 shares; Mr. Conway, 28,266 shares; Mr. Gagné, 113,430 shares; Mr. Heath, 13,297 shares; Ms. James, 7,419 shares; Mr. Nowell, 5,160 shares; Mr. Ziemer, 81,878 shares; and Ms. Zuber, 10,947 shares and (ii) for each director, 4,830 unvested RSUs payable in stock, not obtainable within 60 days of January 1, 2021.

- (2) Includes the following shares obtainable within 60 days of January 1, 2021, as follows: (i) upon the exercise of stock options: Mr. Connor, 541,806 shares; Mr. Donnelly, 1,851,623 shares; Ms. Duffy, 54,581 shares; Mr. Lupone, 205,182 shares and (ii) upon the vesting of RSUs: Mr. Connor, 17,752 shares; Mr. Donnelly, 61,734 shares; Ms. Duffy, 2,559 shares; Mr. Lupone, 7,961 shares; and all directors and executive officers as of 2020 year-end as a group, 2,743,198 shares.
- (3) Excludes (i) stock units held under non-qualified deferred compensation plans that are paid in cash, based upon the value of Textron common stock, as follows: Mr. Connor, 9,606 shares; Mr. Donnelly, 15,573 shares; Ms. Duffy, 1,434 shares; and Mr. Lupone, 5,083 shares; (ii) unvested RSUs payable in stock, not obtainable within 60 days of January 1, 2021, as follows: Mr. Connor, 54,802 shares; Mr. Donnelly, 187,133 shares; Ms. Duffy, 15,115 shares; and Mr. Lupone, 23,834 shares; and (iii) unvested PSUs payable in cash when earned based upon the value of Textron common stock, as follows: Mr. Connor, 70,671 shares; Mr. Donnelly, 239,675 shares; Ms. Duffy, 21,899 shares; and Mr. Lupone, 30,443 shares.
- (4) Based on information disclosed in Amendment No. 6 to Schedule 13G filed by BlackRock, Inc. on February 1, 2021. According to this filing, as of December 31, 2020, BlackRock, Inc., through its various entities, beneficially owns these shares and has sole power to dispose of or direct the disposition of all of these shares and sole power to vote or direct the voting of 15,740,092 of these shares. The address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (5) Based on information disclosed in Schedule 13G filed by Invesco Ltd. on February 16, 2021. According to this filing, as of December 31, 2020, Invesco Ltd. through various subsidiaries, beneficially owns these shares and has sole power to dispose of or direct the disposition of all of these shares and sole power to vote or direct the voting of 13,028,347 of these shares. The address for Invesco Ltd. is 1555 Peachtree Street NE, Suite 1800, Atlanta, GA 30309.
- (6) Based on information disclosed in Amendment No. 11 to Schedule 13G filed by T. Rowe Price Associates, Inc. and T. Rowe Price Mid-cap Growth Fund, Inc. on February 16, 2021. According to this filing, as of December 31, 2020, T. Rowe Price Associates, Inc., in its capacity as investment adviser for various individual and institutional investors, is deemed to beneficially own these shares as to which it has sole dispositive power and, with respect to 14,040,507 of these shares, sole voting power. The filing indicates that T. Rowe Price Mid-cap Growth Fund, Inc. beneficially owns and has sole voting power with respect to 12,000,000 of these shares. T. Rowe Price Associates, Inc. expressly disclaims beneficial ownership. The address for T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202.
- (7) Based on information disclosed in Amendment No. 10 to Schedule 13G filed by The Vanguard Group, Inc. on February 10, 2021. According to this filing, as of December 31, 2020, The Vanguard Group, Inc. beneficially owns these shares and has sole power to dispose of or direct the disposition of 22,804,149 of these shares, shared power to dispose of or direct the disposition of 962,176 of these shares, sole power to vote or direct the voting of none of these shares and shared power to vote or direct the voting of 349,688 of these shares. Certain subsidiaries of The Vanguard Group, Inc. are listed on Appendix A to this filing as having acquired reported shares. The address for The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors has furnished the following report on its activities:

The committee reviewed and discussed the audited consolidated financial statements and the related schedule in the Annual Report referred to below with management. The committee also reviewed with management and the independent registered public accounting firm (the “independent auditors”) the reasonableness of significant judgments, including critical audit matters, and the clarity of disclosures in the financial statements, the quality, not just the acceptability, of the Company’s accounting principles and such other matters as are required to be discussed with the committee by applicable requirements of the Public Company Accounting Oversight Board and the Securities and Exchange Commission. In addition, the committee discussed with the independent auditors the auditors’ independence from management and the Company. This discussion included the matters in the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communication with the audit committee concerning independence and considered the possible effect of non-audit services on the auditors’ independence.

The committee discussed with the Company’s internal and independent auditors the overall scope and plans for their respective audits and met with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company’s internal controls, including internal controls over financial reporting, and the overall quality of the Company’s financial reporting. The committee also reviewed the Company’s compliance program. Six committee meetings were held during the year.

In reliance on the reviews and discussions referred to above, the committee recommended to the Board of Directors that the audited consolidated financial statements and the related schedule be included in the Annual Report on Form 10-K for the fiscal year ended January 2, 2021, to be filed with the Securities and Exchange Commission. The committee also reported to the Board that it had selected Ernst & Young LLP as the Company’s independent auditors for 2021 and recommended that this selection be submitted to the shareholders for ratification. In determining whether to reappoint Ernst & Young LLP as the Company’s independent auditor, the committee took into consideration a number of factors, including the quality of the committee’s ongoing discussions with Ernst & Young LLP and an assessment of the professional qualifications and past performance of the lead audit partner and Ernst & Young LLP.

R. KERRY CLARK, CHAIR
KATHLEEN M. BADER
PAUL E. GAGNÉ
RALPH D. HEATH
DEBORAH LEE JAMES
LIONEL L. NOWELL III

COMPENSATION COMMITTEE REPORT

The Organization and Compensation Committee of the Board of Directors has furnished the following report:

The Committee reviewed the Compensation Discussion and Analysis to be included in Textron's 2021 Proxy Statement and discussed that Analysis with management.

Based on its review and discussions with management, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in Textron's 2021 Proxy Statement and Textron's Annual Report on Form 10-K for the fiscal year ended January 2, 2021.

This report is submitted by the Organization and Compensation Committee.

JAMES L. ZIEMER, CHAIR

PAUL E. GAGNÉ

RALPH D. HEATH

MARIA T. ZUBER

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

Key 2020 Performance Highlights

During 2020, the global pandemic caused by the novel coronavirus, known as “COVID-19”, led to worldwide facility closures, workforce disruptions, supply chain destabilizations, reduced demand for many products and services, volatility in the capital markets and uncertainty in the economic outlook. Our operations experienced and continue to experience various degrees of disruption due to the unprecedented conditions surrounding the pandemic. While some of our commercial manufacturing facilities had temporarily closed during the first quarter of 2020 through the latter part of the second quarter due to reduced demand for certain of our products, substantially all manufacturing activities had resumed in the third quarter. In the second half of the year, our commercial businesses have generally experienced an increase in customer demand compared with the first half of 2020, however demand has not resumed to pre-pandemic levels.

In the first quarter of 2020, following the onset of the pandemic, we strengthened our cash position by issuing \$650 million in senior debt and by borrowing \$500 million under a new 364-Day Term Loan Credit Agreement. We also temporarily suspended share repurchases and took other measures to reduce costs and conserve cash, including employee furloughs at many of our commercial businesses and at corporate headquarters, reducing capital expenditures and delaying certain research and development projects. In the second quarter, we continued most of the measures taken in the first quarter to reduce costs and conserve cash and initiated a restructuring plan at certain of our businesses to further reduce costs. During the remainder of the year, we continued our focus on managing our businesses through the impacts of the pandemic while investing in future products and technologies.

Key financial highlights for 2020 include:

- Generated \$833 million of net cash from operating activities from our manufacturing businesses.
- Maintained a strong cash position with \$2.3 billion in cash and equivalents at the end of the year.
- Invested \$317 million in capital expenditures and \$549 million in research and development projects.
- Repurchased 4.1 million shares of our common stock.

Business highlights of the year include:

- Textron Aviation’s Cessna SkyCourier, the new clean-sheet twin-engine, large-utility turboprop aircraft made its first flight in May 2020; the aircraft is on track for entry into service in the second half of 2021. Textron Aviation also brought innovation to its Beechcraft King Air turboprop product line with technological advancements in the cockpit and enhancements to passenger comfort for both the King Air 360 and the King Air 260. Deliveries of the King Air 360, the company’s flagship turboprop, began during the fourth quarter.
- At Bell, our Future Vertical Lift programs advanced in 2020. Both the Bell V-280 Valor and Bell 360 Invictus were down-selected by the U.S. Army for the next rounds of the Future Long-Range Assault Aircraft (FLRAA) and Future Attack Reconnaissance Aircraft (FARA) programs, respectively.
- Textron Systems’ Ship-to-Shore Connector (“SSC”) program was awarded a follow-on production contract by the U.S. Navy, bringing the current number of SSC craft being produced by Textron Systems to twenty-four, two of which have been delivered.
- At Industrial, Textron Specialized Vehicles focused on new product development, particularly leveraging electric technology and connected-vehicle experiences for its products, and Kautex continued its focus on innovation, particularly around technologies for electric and hybrid-electric systems and autonomous driving technologies.

Overview of 2020 Executive Compensation Decisions

As described further below, executive compensation decisions affecting our named executive officers' 2020 compensation included the following:

- Target direct compensation was maintained at 2019 levels for our CEO and all but one of the other NEOs whose compensation was below the competitive range of the talent peer group companies.
- Based on our engagement with shareholders relating to our recent Say on Pay votes, we restructured our performance share units so that payout is based on performance against pre-established, three-year financial goals to better incentivize long-term performance, and we increased the percentage of long-term incentives awarded in the form of performance share units.
- Reflecting our engagement with shareholders, we maintained the structure of our annual incentive compensation program. At our CEO's request, we did not alter performance criteria or adjust performance results as a result of the COVID-19 pandemic in determining the payout to our CEO under this program. However, we excluded COVID-19-related idle facility costs when determining the other NEOs' payout, which still resulted in a payout well below target.
- We did not alter our performance criteria or adjust performance results as a result of the COVID-19 pandemic when determining results under 2018-2020 performance share units. The Organization and Compensation Committee (the "Committee") exercised its discretion to reduce the final payout by 15% based on our relative TSR performance over the performance period and other factors.
- Reflecting the impact of COVID-19 on our industries and our stock price performance, the CEO's 2020 annual incentive payout was 57% lower than in 2019, and the value of performance share units that vested was approximately 42% lower than their grant date fair value.

Executive Compensation Highlights

The Committee receives regular briefings from its consultant on evolving best practices in executive compensation. The following summarizes key aspects of our executive compensation program:

Practices we employ

- Pay for performance—substantial portion of executives' compensation tied to Company performance against pre-established goals set by the Committee
 - High percentage of long-term incentive awards subject to performance-based metrics to closely align with long-term company performance
 - Pay aligned with shareholder interests—substantial portion of executives' target compensation, including more than 75% of CEO's target compensation is in the form of equity-based long-term incentives
 - Caps on annual incentive compensation and performance share unit payouts
 - Diversity goals taken into account in establishing annual incentive compensation payouts
 - Double-trigger change in control provisions for equity awards and severance arrangements
 - Clawback policy applies to all annual and long-term incentive compensation
 - Committee annually conducts a pay-for-performance analysis based on operating and stock performance metrics used in our annual and long-term incentive awards
 - Committee annually reviews the composition of a talent peer group which is referenced for benchmarking our executives' compensation and makes changes as appropriate
 - Committee annually reviews compensation data against the talent peer group in order to understand the competitiveness of our compensation program and pay levels
 - Committee reviews and evaluates plans for management development, succession and diversity
 - Committee annually reviews a compensation-related risk assessment with assistance from its independent compensation consultant
 - Robust share ownership requirements
-

Practices we prohibit	• No single-trigger vesting of long-term incentive awards upon a change in control of the Company
	• No tax gross-ups for officers hired after 2008
	• No employment contracts guaranteeing fixed-term employment or bonuses to executives and no individually negotiated termination protection since 2008
	• No excessive executive perquisites
	• No hedging or pledging Textron securities
	• No repricing or exchanging stock options without shareholder approval

New Long-Term Incentive Compensation Program Design for 2020

For 2020, the Committee implemented a new design for Textron's long-term incentive compensation ("LTIC") program for executives. During 2019, the Committee had conducted a thorough and diligent process to update the LTIC program. This process included extensive engagement with the Company's shareholders to obtain their views and preferences on LTIC design, as well as an in-depth review of the Company's executive compensation program with the assistance of the Committee's new independent compensation consultant. This review focused on our LTIC program and included benchmarking competitive pay practices against peer companies, reviewing the efficacy of our program's performance metrics in driving strategic business objectives and analyzing other potential long-term performance metrics.

The changes to our LTIC program to address the clear preferences of our shareholders as well as several changes made to align our program with peer company practice or to achieve objectives identified by the Committee are summarized in the following chart:

2020 Long-Term Incentive Compensation ("LTIC") Program Changes

Change		LTI Grants Awarded <u>Prior</u> to 2020	LTI Grants Awarded in 2020
Performance Share Units	LTI Award Mix %	40%	50%
	Performance Period	Three one-year periods	One three-year period
	Performance Metrics	Net Operating Profit (60%) Manufacturing Cash Flow (40%)	Average Return on Invested Capital (50%) Cumulative Manufacturing Cash Flow (30%) Relative Total Shareholder Return (20%)
	Payout Opportunity	Threshold: 50% Maximum: 150%	Threshold: 25% Maximum: 200%
Restricted Stock Units	LTI Award Mix %	30%	25%
	Vesting Schedule	Vest over five years in equal annual installments beginning on the third anniversary of the grant date	Vest in full on the third anniversary of the grant date
Stock Options	LTI Award Mix %	30%	25%

2020 Say-on-Pay Advisory Vote on Executive Compensation and 2020 Shareholder Outreach

Executive compensation decisions at Textron are made by the Committee. One of the guiding objectives of Textron's compensation program, as established by the Committee, is to align executive compensation with shareholder value creation. Therefore, the Board and the Committee carefully consider the full range of shareholder feedback and vote outcomes from our Annual Meeting each year. At our 2020 Annual Meeting, 66% of our shareholders approved our advisory say-on-pay vote on 2019 executive compensation, an 11% improvement over the previous year, but still lower than the above 90% levels that our say-on-pay votes had obtained prior to 2019. We again engaged in proactive shareholder outreach in Fall of 2020 to hear the views of our shareholders on our new program design, as well as to discuss environmental, social and governance ("ESG") matters.

We contacted shareholders representing over 70% of our outstanding shares to engage with them and hear their views on our executive compensation program. While many shareholders provided us with feedback that they did not believe a call was necessary or did not respond, shareholders representing approximately 34% of our outstanding shares participated in engagement calls with our Executive Vice President, Human Resources, our Vice President of Investor Relations, and our Senior Executive Counsel. Our Executive Director, Environmental, Health & Safety also participated on several calls. During these calls, shareholders provided positive feedback with respect to the announced design changes to our long-term incentive compensation program for 2020, with acknowledgement that shareholders will evaluate the program's pay for performance alignment once the program's three-year cycles begin to be completed. Shareholders with whom we discussed compensation stated that they did not believe additional changes were needed to our executive compensation program beyond those already announced. We also had robust discussions with shareholders around ESG topics and COVID-19's impact on Textron, including shareholders' views on executive compensation adjustments as a result of COVID-19 impacts. Throughout this process, shareholder feedback on compensation matters was presented and discussed with the Committee and shared with our Board.

Compensation Philosophy

Textron's compensation philosophy is to establish target total pay with reference to a talent peer group median and to tie a substantial portion of our executives' compensation to performance against objective business goals and stock price performance. This approach helps us to recruit and retain talented executives, incentivizes our executives to achieve desired business goals and aligns their interests with the interests of our shareholders.

2020 Compensation Program Components

Total pay for Textron's executives consists of base salary, annual incentive compensation and long-term incentive compensation. Our annual incentive compensation is designed to reward performance against annual business goals established by the Committee at the beginning of each year and is payable in cash.

The long-term incentive compensation program is directly linked to stock price through three award types: performance share units ("PSUs"), restricted stock units ("RSUs") and stock options. Beginning in 2020, PSUs represent 50% of long-term incentives awarded to our NEOs and will be earned based on performance against pre-established business goals set by the Committee as well as based on relative total shareholder return ("TSR"), all measured over a three-year performance period. PSUs are payable in cash based upon our stock price at the end of the performance cycle.

2020 Incentive Compensation Payouts

The three performance goals set by the Committee for 2020's annual incentive compensation program focused on profitability, cash flow and hiring diversity, which are key business priorities for Textron. For 2020, the payout for the annual incentive compensation program was 40.1% of target for our CEO, reflecting below target performance for both the profitability and cash flow goals due to the unprecedented impact of the COVID-19 pandemic on our businesses. For the other NEOs, the Committee determined to exclude COVID-19-related idle facility costs when calculating Company performance against the 2020 annual incentive compensation financial goals resulting in an annual incentive payout of 65.2% of target.

PSUs awarded for the 2018–2020 performance cycle were subject to profitability and cash flow goals set annually by the Committee during the three-year performance period, after which the Committee could apply a negative discretionary adjustment. Performance against these goals resulted in a multiplier of 82.1% of the number of PSUs granted, to which the Committee applied a 15% discretionary reduction based on its review of relative total shareholder return and other factors. This adjustment resulted in a final number of units paid of 69.8% of the initial number of 2018–2020 PSUs granted.

OVERVIEW AND OBJECTIVES OF EXECUTIVE COMPENSATION PROGRAM

The objectives of Textron's compensation program for executive officers are:

- Encouraging world class performance
- Focusing executives on delivering balanced performance by providing (i) both cash and equity incentives and (ii) both annual and long-term incentives
- Aligning executive compensation with shareholder value
- Attracting and retaining high-performing talent

To achieve these objectives, the Committee uses the following five guidelines for designing and implementing executive compensation programs at Textron:

- 1 Target total pay should be set in reference to the median target total pay of a talent peer group
- 2 Incentive compensation payout should be higher when Textron performs well and lower if Textron underperforms
- 3 Performance goals should align interests of executives with long-term interests of shareholders
- 4 Compensation programs should not incentivize executives to conduct business in ways which could put the Company at undue risk
- 5 Indirect compensation should provide the same level of benefits given to other salaried employees

TARGET PAY

How Does the Committee Establish Target Pay?

Target total pay consists of three components: (i) base salary, (ii) target annual incentive compensation and (iii) target long-term incentive compensation. In establishing target pay, the Committee addresses each component with reference to a talent peer group median and makes its determinations based on individual responsibilities, complexity of position versus that of the market benchmarks, performance, experience and future potential. The target incentive compensation components are established as a percentage of base salary, varying for each NEO. The objectives of the three components are as follows:

Component		Objective
Base Salary		<ul style="list-style-type: none"> Provide market-competitive fixed pay reflective of an executive's responsibilities, position, experience and performance
At-Risk Compensation	Target Annual Incentive	<ul style="list-style-type: none"> Focus executives on executing the Company's short-term business goals
	Target Long-Term Incentive	<ul style="list-style-type: none"> Align executive compensation with increasing long-term shareholder value

How Does the Committee Select the Talent Peer Group?

The Committee references a "talent" peer group of companies, recommended by its independent compensation consultant and approved by the Committee, as part of its process in establishing target pay for each NEO. The compensation consultant advised the Committee that revenue/market capitalization and industry/business fit are the most important factors in establishing this group of companies to provide appropriate references for target pay levels, followed by global reach and peer similarity, as well as availability of compensation data. Selection criteria for the talent peer group used to set 2020 compensation included:

- Publicly-traded companies that are headquartered in the U.S.
- Revenue of approximately \$4 billion to \$40 billion, with at least 10% from outside the U.S.
- Median revenue for peer group approximates Textron's revenue
- Revenue in the aerospace/defense, technology/engineering, general manufacturing and/or automotive industries

The table below lists the 2019 talent peer group companies and Textron showing fiscal 2018 revenues. The 2019 talent peer group was referenced in setting target pay for 2020.

2019 Talent Peer Group

Company Name	Industry	2018 Revenue (\$ in billions)
Honeywell International Inc.	Industrial Conglomerates	\$41.8
General Dynamics Corporation	Aerospace/Defense	36.2
Northrop Grumman Corporation	Aerospace/Defense	30.1
Eaton Corporation Plc	Technology/Engineering	21.6
Lear Corporation	Automotive	21.1
Emerson Electric Co.	Technology/Engineering	17.4
Ingersoll-Rand Plc	General Manufacturing	15.7
The Goodyear Tire & Rubber Company	Automotive	15.5
Illinois Tool Works Inc.	General Manufacturing	14.8
Parker-Hannifin Corporation	General Manufacturing	14.3
BorgWarner Inc.	Automotive	10.5
Oshkosh Corporation.	General Manufacturing	7.7
Spirit AeroSystems Holdings, Inc.	Aerospace/Defense	7.2
Rockwell Automation Inc.	Technology/Engineering	6.7
L3Harris Technologies, Inc	Aerospace/Defense	6.2
Terex Corporation	General Manufacturing	5.1
KBR, Inc.	Technology/Engineering	4.9

\$21.1

75th Percentile

\$14.8

Median

\$7.2

25th Percentile

\$14.0

Textron Inc.

43%

Textron Percentile Rank

The 2020 talent peer group referenced in setting target pay for 2021 was changed to remove Ingersoll-Rand Plc due to a spin-off and merger of its industrial segment, leaving a company which no longer meets our industry selection criteria for the peer group.

How did the Committee Make 2020 Target Pay Decisions?

Prior to making decisions on compensation, the Committee reviewed the following items:

- Compensation data for each NEO
- A detailed compensation benchmarking study comparing each NEO's current target compensation by component and in total to the market median of the talent peer group
- A retention analysis that examines the value of compensation an executive would forfeit upon termination
- Potential share-derived wealth and share ownership information for each NEO

Additionally, the CEO provided input to the Committee regarding compensation decisions for NEOs other than himself, including his assessment of each individual's responsibilities and performance, the complexity of their position against market benchmarks, their experience and future potential. In approving 2020 target pay the Committee considered the CEO's input and made its own assessment of competitive pay and performance.

The Committee's philosophy has been to provide target total direct compensation for our CEO at levels generally competitive with market median, taking into consideration Mr. Donnelly's longer tenure and leadership contributions. In addition, the Committee has placed greater emphasis on increases in long-term incentive compensation, which is tied to the Company's stock price performance and, with respect to PSUs, is heavily performance-based, in order to align Mr. Donnelly's interests with our shareholders' interests. This approach has resulted in a pay mix that is in close alignment with talent peer company practices which also emphasize incentive pay.

After considering the Company's 2019 financial results and stock price performance, as well as the benchmarking study, the Committee determined not to increase 2020 compensation for Messrs. Donnelly, Connor or Lupone.

With respect to Ms. Duffy, the Committee increased her base salary, with the corresponding increases in target annual and target long-term incentive compensation, by approximately 9% in order to move Ms. Duffy's compensation closer to market median of the talent peer group companies.

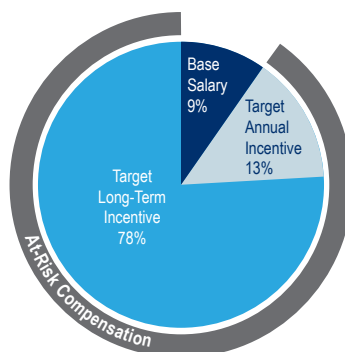
What is the Target Pay and Pay Mix for Our Executives?

The following table shows 2020 target total pay, along with the target for each component of target total pay, for Textron's NEOs that was established at the Committee's January 2020 meeting. Target direct compensation was maintained at 2019 levels for our CEO and all other NEOs, except that Ms. Duffy's target was increased consistent with the competitive range of the talent peer group companies.

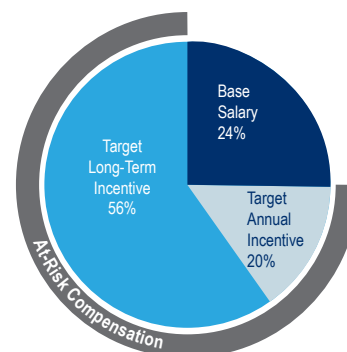
Name	Position	Base Salary	At-Risk Compensation		Target Total Pay	% Increase Over 2019
			Target Annual Incentive	Target Long-Term Incentive		
Scott C. Donnelly	CEO	\$1,236,000	\$1,854,000 (150% of salary)	\$11,022,000 (892% of salary)	\$14,112,000	0%
Frank T. Connor	CFO	1,000,000	1,000,000 (100% of salary)	3,250,000 (325% of salary)	5,250,000	0%
E. Robert Lupone	General Counsel	800,000	600,000 (75% of salary)	1,400,000 (175% of salary)	2,800,000	0%
Julie G. Duffy	EVP, HR	600,000	450,000 (75% of salary)	1,050,000 (175% of salary)	2,100,000	9%

Approximately **91%** of our CEO's pay mix and on average approximately **76%** of our other NEOs' pay mix is tied to Company performance, including stock price performance ("at-risk").

CEO Target Pay Mix



NEO Target Pay Mix (Excluding CEO)



2020 INCENTIVE COMPENSATION PROGRAMS

How Does Our 2020 Incentive Compensation Work?

Based on feedback received during our engagement with shareholders, the Committee did not revise the structure of our annual incentive compensation program for 2020, maintaining it consistent with prior years as summarized in the table below. As described above, we made extensive changes to our long-term incentive compensation ("LTIC") program for grants made in 2020.

Our long-term incentive compensation program includes three award types: PSUs, RSUs and stock options. This mix of award types encourages executives to focus on meeting performance goals established by the Committee, remaining with Textron as awards vest and increasing long-term shareholder value. For 2020, PSUs represent 50% of target LTIC, an increase from 40% in recent years, with the percentage awarded as stock options and RSUs correspondingly reduced. This change was made as a result of shareholder input as their view is that, because PSUs are subject to performance-based metrics, increasing the percentage of PSUs more closely aligns LTIC with long-term company performance.

In response to shareholder feedback, for PSUs granted in 2020, the Committee has extended the performance period for all PSU metrics to a single three-year period instead of three one-year periods in order to more closely align LTIC with long-term company goals. The financial performance metrics for 2020 PSUs are Average Return on Invested Capital, weighted at 50% and Cumulative Manufacturing Cash Flow, weighted at 30%, with relative TSR accounting for 20%. The Average Return on Invested Capital and Cumulative Manufacturing Cash Flow metrics were chosen by the Committee to align with key value drivers of our business and, together, are designed to incentivize our executives to make disciplined capital allocation decisions and to manage working capital, inventory and investments to generate returns and create value for our shareholders over the long-term.

As many shareholders expressed a desire for relative TSR to remain part of the LTIC program, the Committee also determined to move its use of relative TSR from a discretionary modifier applied to PSUs to a stand-alone metric weighted at 20% to maintain focus on stock performance as an important relative measure of company performance. In addition, evolving dynamics in our industries have resulted in frequent merger and acquisition and spin-off activity among our performance peer group companies, leaving fewer companies which the Committee believes are appropriate for comparison with Textron's TSR performance. As a result, the Committee changed the benchmark used for comparison of TSR performance from the company-selected performance peer group to the S&P 500 index companies. This approach allows Textron to benchmark against the companies in a recognized market index which incorporates an independent selection process and ensures a robust number of companies for comparison.

In addition, the Committee adjusted the PSU threshold payout opportunity from 50% to 25% and maximum payout opportunity from 150% to 200%, consistent with prevalent peer company practice, to enhance the effectiveness of PSUs over their three-year performance period through a range of economic and business scenarios.

Finally, the Committee changed the vesting schedule for RSUs from vesting over five years in equal annual installments beginning on the third anniversary of the grant date to vesting in full on the third anniversary of the grant date, in order to align with the PSU performance period. This is the prevalent practice among our peer companies and therefore improves the competitiveness of our LTIC program for the attraction and retention of executive talent.

Our annual and long-term incentive compensation programs for 2020 are summarized in the following table:

Component/Award Type		Description
At-Risk Compensation	Target Annual Incentive	<ul style="list-style-type: none"> ● Target value and performance goals are set in the first quarter of each year ● Enterprise-wide performance goals are determined by aggregating the goals for each of our business units which are set to focus the businesses primarily on generating profitability and cash flow, consistent with expected market conditions ● Percentage earned (0% to 200%) is determined after the end of the fiscal year based upon the achievement of performance goals ● Payout is subject to discretion based on the Committee's and Board's judgment
	Target Long-Term Incentive	
	Performance Share Units 50%	<ul style="list-style-type: none"> ● Represent cash value of one share of common stock ● Span a three-year performance period with vesting at the end of the third fiscal year ● Percentage earned (0% to 200%) is based upon the achievement of performance goals set by the Committee at the beginning of the three-year performance period ● Relative TSR benchmarked against the S&P 500 is used as one of the performance metrics in order to maintain focus on stock performance as a relative measure of company performance while improving program clarity ● Incentivize achievement of Company performance goals over a sustained period in order to build shareholder value
	Restricted Stock Units 25%	<ul style="list-style-type: none"> ● Represent the right to receive shares of common stock upon vesting ● Vest in full on the third anniversary of the grant date ● Final value depends on the change in stock price over the vesting period ● The Committee believes that RSUs help to retain executives because RSUs, unlike stock options, have value upon vesting even in a declining market
	Stock Options 25%	<ul style="list-style-type: none"> ● Provide value only if the stock price goes up during the 10-year term of the option, resulting in a direct incentive to increase Textron's stock price ● Vest ratably over three years on each anniversary of the grant date

See page 25 for a chart comparing the 2020 LTIC program to the previous LTIC program.

Which Companies Does the Committee Use to Compare Our Performance?

As discussed above, the S&P 500 will be used to measure relative TSR performance for the 2020-2022 PSU awards granted to NEOs in 2020. The performance peer group used for measuring relative TSR performance for PSU awards granted prior to 2020 are set forth in the proxy statement for the year of grant.

2020 PAYOUTS AND PERFORMANCE ANALYSIS

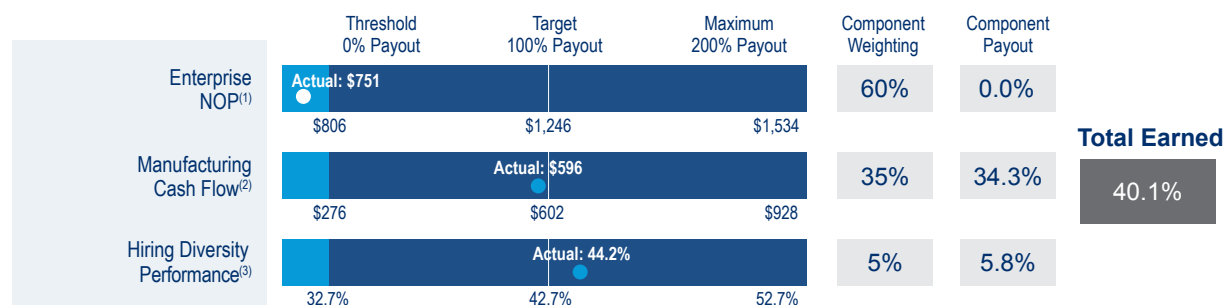
Annual Incentive Compensation Payouts and Performance Analysis

Pre-established performance goals for the 2020 annual incentive compensation program focused on profitability, cash flow and hiring diversity. The profitability target focused executives on delivery of segment profit in each of our segments. The cash flow target focused executives on improving operational efficiency and sustaining the strength of the balance sheet.

Workforce diversity has been a performance goal representing a 5% weighting in our annual incentive compensation program for many years. For 2020 annual incentive compensation, the Committee approved redefining this goal to focus on hiring diversity. To improve our outreach to diverse candidates, we have increased our recruiting efforts at historically black colleges and universities, enhanced our partnerships with diverse professional organizations and participated in diverse STEM conferences. In addition, we provide inclusion and unconscious bias training to our employees and recruiters to improve diversity in recruiting. The diversity goal has been renamed “hiring diversity performance” and will measure the percentage during the fiscal year of all newly-hired U.S. salaried employees who are diverse (defined as employees who identify as female or diverse based on race or ethnicity) against an annual goal set by the Committee.

The Committee established the weighting for the 2020 annual incentive compensation performance goals as 60% tied to profitability, 35% tied to cash flow and 5% tied to hiring diversity. The net operating profit goal set by the Committee for 2020 was established at a level slightly lower than the previous year’s performance, due to higher expected pension costs as well as lower anticipated margin associated with our mix of military revenues and higher inventory costs and learning curve associated with increased deliveries of a new aircraft model. The cash flow goal for 2020 was approximately flat with the previous year’s goal, reflecting anticipated higher taxes, restructuring costs, and capital requirements associated with our 2020 operating plan. Both targets were challenging in light of uncertain global economic and market conditions. Payouts for each individual could range from 0% to 200% of target based on performance. The formula for determining 2020 annual incentive compensation for executive officers, and the resulting percentage earned, prior to the Committee’s exercise of its judgment, are detailed below:

2020 Annual Incentive Compensation Calculation (\$ in millions)



(1) “Enterprise NOP” means our total “Segment profit” as reported in our annual report on Form 10-K. For 2020, segment profit for the manufacturing segments excludes interest expense, certain corporate expenses, special charges and an inventory charge related to the COVID-19 restructuring plan. The measurement for the Finance segment includes interest income and expense along with intercompany interest income and expense.

(2) “Manufacturing Cash Flow” means “Manufacturing cash flow before pension contributions” as reported in our quarterly earnings releases. For 2020, net cash from operating activities of continuing operations has been adjusted for capital expenditures, proceeds from an insurance recovery and the sale of property, plant and equipment, and contributions to our pension plans.

(3) “Hiring Diversity Performance” represents the percentage of full-time U.S. salaried newly-hired employees who identify as female or diverse based on race or ethnicity.

Committee’s Judgment Applied for NEOs other than CEO

The COVID-19 pandemic had a significant and unforeseen impact on Textron’s financial results for fiscal year 2020. The Company’s operations experienced various degrees of disruption due to the unprecedented conditions surrounding the pandemic, with certain commercial manufacturing facilities temporarily closed during the first quarter through the latter part of the second quarter due to reduced product demand. These disruptions resulted in furloughs for employees at many of our

businesses, and all executives, including the NEOs, were subject to the same furloughs as most of our employees, which resulted in salary reductions of 12% for our CEO and, on average, approximately 5% for each of our other NEOs. By the third quarter, substantially all manufacturing activities had returned and by year end, while our commercial businesses generally experienced an increase in customer demand compared with the first half of 2020, demand had not resumed to pre-pandemic levels.

With regard to his own annual incentive compensation, Mr. Donnelly asked the Committee not to make any adjustment to the formulaic payout. The Committee and the Board agreed to abide by Mr. Donnelly's request, approving his payout at 40.1% of target. However, Mr. Donnelly recommended that the Committee consider exercising its judgment to increase annual incentive payouts above the formulaic amounts for his executive team. Textron's Short-Term Incentive Plan provides that the Committee may adjust award opportunities if it determines that the occurrence of unanticipated business conditions have unduly influenced the Company's ability to meet performance goals. The Committee determined that the pandemic presented exactly the type of situation contemplated by the Plan.

In light of Mr. Donnelly's recommendation, the Committee reviewed the performance of the executive team. Mr. Connor quickly took actions to preserve cash flow and balance sheet quality, improve the Company's liquidity position through debt issuances and other actions, and control costs in alignment with unprecedented reductions in business levels. Ms. Duffy launched significant efforts to protect the health and well-being of our employees and otherwise manage the severe impacts of the pandemic on employees throughout our businesses. Mr. Lupone managed legal work in connection with all of these efforts, including compliance with COVID-related legal restrictions throughout the enterprise and the response and activities of the Environmental, Health and Safety team which reports to him. Mr. Connor, Ms. Duffy and Mr. Lupone excelled at managing the Company and their teams through this extremely challenging year, despite the numerous and unprecedented financial, operational, personnel, regulatory, logistical and marketplace challenges and negative impacts caused by the pandemic.

To inform its decision-making, the Committee reviewed a detailed breakdown of COVID-19-related financial impacts on the Company's businesses, noting the significant idle facility costs incurred at the Textron Aviation segment and, to a lesser degree, the Textron Specialized Vehicles business at the Industrial segment while manufacturing facilities at those businesses were operating at abnormally low production levels or were temporarily shut down. The Committee was also mindful of the views of its shareholders expressed during engagement calls which generally were that any adjustment to compensation made due to the impact of the pandemic would be highly scrutinized, as executives should not be held harmless from the impacts of the pandemic on the Company, but should share in them as have its employees, shareholders and other stakeholders.

The Committee reviewed and considered various approaches to taking into account the effects of the COVID-19 pandemic on 2020 annual incentive payouts. Approaches the Committee considered were excluding idle facility costs from the formulaic results, applying judgment based on individual performance assessments or making other more significant financial adjustments. The Committee then determined that the exclusion of COVID-19-related idle facility costs when calculating Company performance against the 2020 annual incentive compensation financial goals was an appropriate method of viewing the operational performance of the Company for the unprecedented 2020 fiscal year. The Company also adjusted the 2020 annual incentive compensation payouts for non-NEO employees at each of the businesses severely impacted by the pandemic and at the corporate office above the formulaic amounts in recognition of their performance and efforts in this unprecedented circumstance.

The Committee reasoned that the exclusion of COVID-19 related idle facility costs eliminates the calculable impact of the Company having to absorb manufacturing costs attributable to abnormally low production levels resulting from the pandemic and temporary manufacturing facility closures, while still measuring performance on the key financial goals of Enterprise NOP and Manufacturing Cash Flow with respect to the businesses to the extent they were operational. The following chart shows the impact of excluding idle facility costs on the financial goals:

Idle Facility Costs Impacting Enterprise NOP	Amount in \$ millions	Idle Facility Costs Impacting Manufacturing Cash Flow	Amount in \$ millions
Enterprise NOP	\$751	Manufacturing Cash Flow	\$596
Adjustment for Idle Facility Costs	\$142	Adjustment for Idle Facility Costs	\$123
Adjusted Enterprise NOP	\$893	Adjusted Manufacturing Cash Flow	\$719

Excluding these idle facility costs from the Enterprise NOP and Manufacturing Cash Flow calculations results in a payout of 65.2% of target, rather than the calculated payout amount of 40.1% shown above, since it resulted in Enterprise NOP having a below-target, yet above-threshold impact on the calculated payout. The Committee concluded that this adjustment would appropriately reward the extraordinary performance of these executive officers with a moderate payout increase, representing a meaningful decline from the prior year's payout of 93.7% of target, while aligning with the interests of the Company's employees and shareholders in ensuring that executives share in the impact of a difficult year. The Committee therefore exercised its judgment and increased the payouts for Mr. Connor, Mr. Lupone and Ms. Duffy to 65.2% of target. At the CEO's request as described above, the Committee did not exclude the COVID-19-related idle facility costs in calculating the CEO's 2020 annual incentive payout, which was approved at 40.1% of target.

Annual incentive compensation targets and payouts for 2018, 2019 and 2020 for each NEO are shown below:

Annual Incentive Compensation Targets and Payouts

Name	Position	2018		2019		2020	
		Target	Payout	Target	Payout	Target	Payout
Scott C. Donnelly	CEO	\$1,854,000	\$2,223,000	\$1,854,000	\$1,737,000	\$1,854,000	\$744,000
Frank T. Connor	CFO	\$850,000	\$1,019,000	\$1,000,000	\$937,000	\$1,000,000	\$652,000
E. Robert Lupone	General Counsel	\$570,000	\$683,000	\$600,000	\$562,000	\$600,000	\$391,000
Julie G. Duffy	EVP, HR	\$300,000	\$360,000	\$412,500	\$387,000	\$450,000	\$293,000

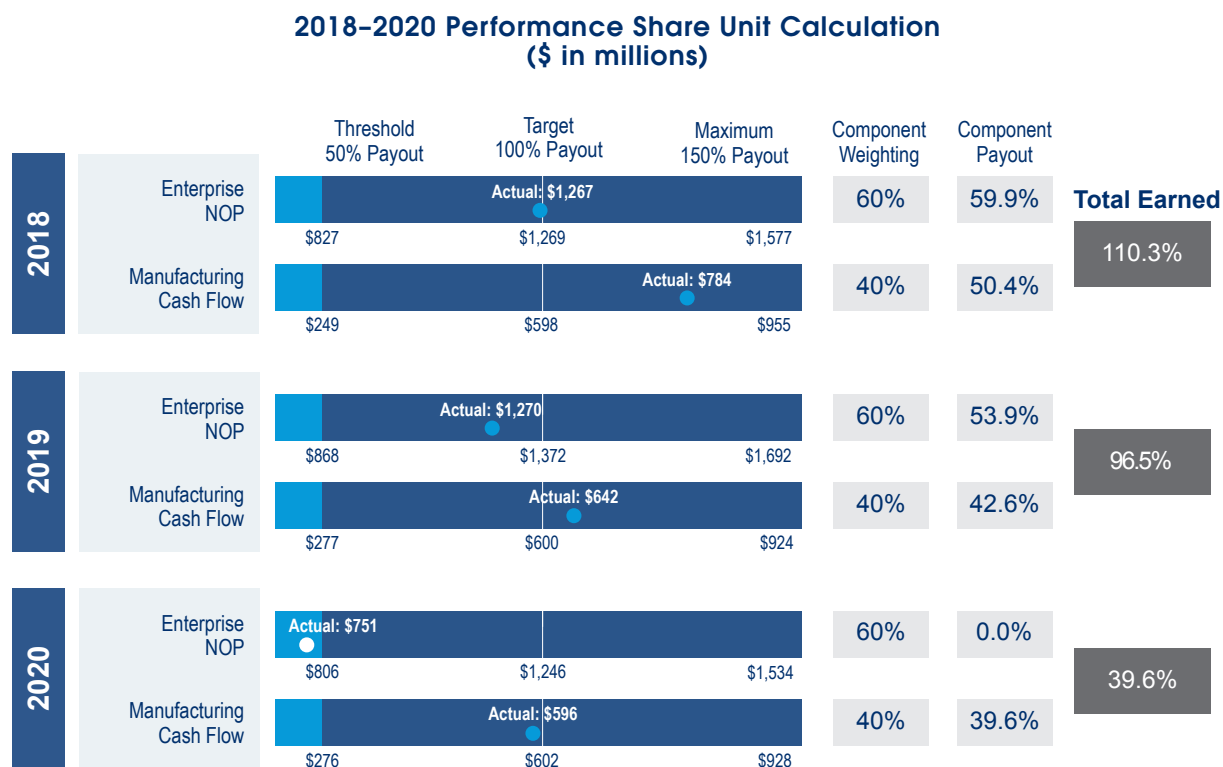
Prior Year Performance Analysis

The Committee believes that a pay-for-performance analysis should compare Company performance vs. peer performance over the time period an incentive is earned and that operating metrics are the appropriate performance comparator for annual incentive awards. Therefore, to validate that Textron's annual incentive compensation is appropriately linked to the executives' performance, the Committee reviewed the annual incentive compensation paid to Textron's CEO in 2020, with respect to 2019, compared to Textron's year-over-year operating performance for that year, relative to the annual incentive compensation paid to the performance peer companies' CEOs compared to the year-over-year operating performance of the performance peer group companies for the corresponding year. While exactly comparable data was not available for all peer companies, indicative comparisons were made using publicly-reported GAAP operating cash flows and pre-tax earnings from continuing operations. As was the case for previous years, the Committee's comparative analysis conducted in 2020 for payouts related to the 2019 performance period confirmed the strong correlation between Textron's annual incentive compensation payouts and its performance relative to its peers.

Long-Term Incentive Compensation Payouts and Performance Analysis

Performance Share Units

Payouts for the 2018-2020 PSU cycle were based upon performance for each of the annual periods within the 2018-2020 cycle against performance goals set for three one-year performance periods, weighted equally, subject to a TSR modifier that can decrease, but not increase, the final payout up to 40%, based on the relative ranking of Textron's three-year TSR performance compared to that of our 2018 performance peers and the Committee's discretion. In considering the multi-year performance focus of the PSUs, the Committee made no adjustment to the PSU financial performance calculation due to the impact of the pandemic. The performance achieved against the threshold, target and maximum payouts for the 2018-2020 PSU cycle, and the resulting percentage earned by the executive officers after application of the TSR modifier, are detailed below:



82.1%

Units Earned as %
of Original Award

-15%

TSR Modifier applied
by O&C Committee

69.8%

Final Payout as %
of Original Award

The performance metrics for 2020 are described in more detail in the 2020 Annual Incentive Compensation Calculation chart on page 33 and for previous years are described in the proxy statement for the applicable year. Payouts are made in cash and could range from 0% to 150% of target based on performance.

Two measures impact the value of PSU cash payouts: (i) the number of units earned is based on Textron's performance against operating metrics and may be adjusted downward (but not upward), based upon the relative ranking of the Company's three-year TSR performance compared to the TSR performance of its performance peer companies and the Committee's discretion and (ii) the value of each unit earned is based on Textron's stock price at the end of the performance cycle. To validate that the Company's PSU awards link pay to performance, the Committee evaluated the PSU payouts on the basis of both relative performance (TSR performance vs. 2018 performance peer group companies) and absolute performance (change in stock price) and concluded that the payouts were appropriately linked to Textron's overall performance.

The table below shows the PSU awards granted in 2018 and the cash payout received by each executive in terms of both units and value.

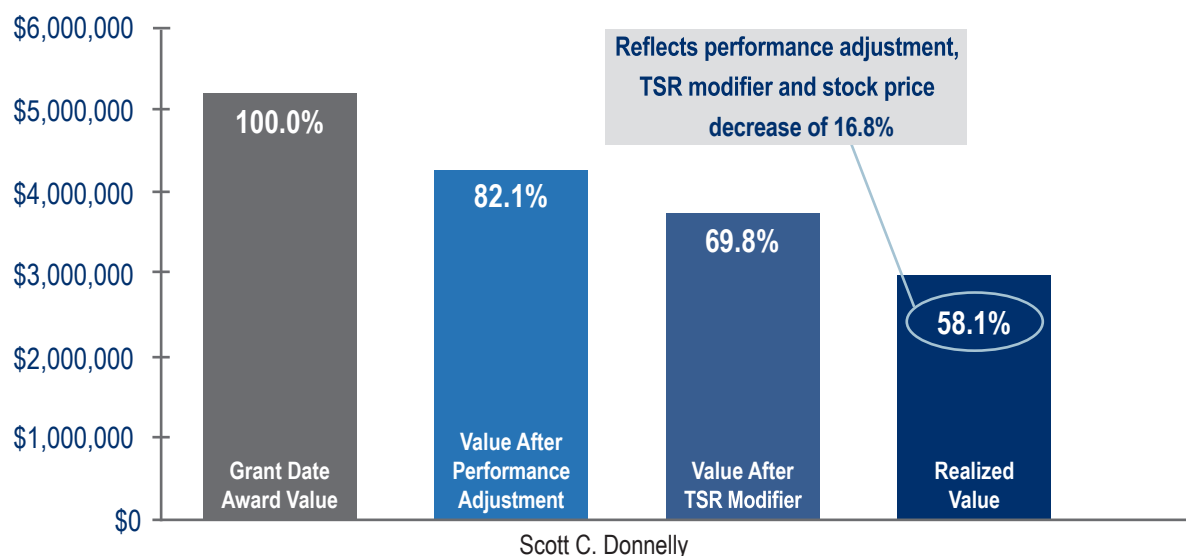
2018–2020 Performance Share Unit Payouts

Name ⁽¹⁾	Position	2018–2020 Units		2018–2020 Value	
		Units Granted	Units Paid	Grant Date Value	Payout Value
Scott C. Donnelly	CEO	88,582	61,817	\$ 5,159,016	\$2,995,652
Frank T. Connor	CFO	25,676	17,918	\$1,495,370	\$ 868,306
E. Robert Lupone	General Counsel	11,383	7,944	\$ 662,946	\$ 384,966
Julie G. Duffy	EVP, HR	6,419	4,479	\$ 373,843	\$ 217,052

As shown in the table above, the payout values of the 2018–2020 awards were significantly lower than the grant date values of the awards despite the Company's three-year average performance against operating metrics of 82.1%. Because the Company's TSR performance was at the 25th percentile of the 2018 performance peer group, the Committee decided to reduce the units earned by 15%, after taking into account the unevenly distributed impact COVID-19 had on the performance peer group companies and each of their TSR performance because of the different industries in which the Company and the peer companies operate. As a result, the value of the PSUs at settlement was 58.1% of their grant date target value.

The chart below shows in greater detail our CEO's 2018–2020 cycle PSU award from grant date value, as adjusted by the Company's performance against the goals set by the Committee and as adjusted for the TSR modifier, to realized value (final payout value), reflecting the change in Textron's stock price during the performance period.

CEO's 2018–2020 PSU Award Value



Restricted Stock Units and Stock Options

In addition to PSUs, the Company's long-term incentive compensation program consists of RSUs and stock options.

The ultimate value of these awards to the executives, upon the vesting of RSUs or the exercise of stock options, is directly based upon Textron's stock price at the time of vesting or exercise. For the value realized by the executives upon the vesting or exercise of these awards, see Option Exercises and Stock Vested in Fiscal 2020 on page 45.

RISKS RELATED TO COMPENSATION

The Committee strives to set compensation policies for senior executives which do not encourage excessive risk-taking that could endanger the Company. For 2020, the Committee completed a full review of managing risk within our executive compensation program. This review was informed by a risk analysis of our executive compensation program conducted by the Committee's independent compensation consultant. The consultant's risk analysis concluded that our executive compensation program has no elements that are likely to cause a material adverse outcome for the Company. This annual review helps the Committee to structure executive compensation programs that are designed to avoid exposing the Company to unwarranted risk.

OTHER COMPENSATION PROGRAMS

Textron provides certain other compensation programs (such as retirement/death benefits) that are designed to provide to NEOs the same level of benefits provided to non-executive officers. Certain of these programs provide benefits over any caps mandated by government regulations, including:

- *Textron Spillover Pension Plan*: Non-qualified benefit plan to make up for IRS limits to qualified pension plans and, in the case of Mr. Donnelly, to provide a "wrap-around" pension benefit which takes into account his final average compensation with Textron and his combined service with Textron and his former employer, GE, and reduces this benefit by the amount of any other pension benefits which he is eligible to receive under Textron and GE pension plans.
- *Textron Spillover Savings Plan*: Non-qualified benefit plan to make up for IRS limits to qualified savings plans.

Textron provides a program to executives which benefits them by allowing for tax planning and also benefits the Company, in that cash payments by the Company are delayed:

- *Deferred Income Plan for Textron Executives*: Non-qualified plan that allows participants to defer compensation.

ROLE OF INDEPENDENT COMPENSATION CONSULTANT

Under its charter, the Committee has the authority to retain outside consultants or advisors as it deems necessary to provide desired expertise and counsel. In 2020, the Committee engaged the services of Pearl Meyer as its independent compensation consultant.

Pearl Meyer reports directly and exclusively to the Committee and was retained to provide advice regarding current and emerging best practices with regard to executive compensation. In addition, as described above, Pearl Meyer annually conducts a risk review of our executive compensation program. Representatives from Pearl Meyer attended each of the Committee's six meetings in 2020. Pearl Meyer does not provide any other services to the Committee or the Company. The Committee has determined that Pearl Meyer is independent and that the work of Pearl Meyer with the Committee for 2020 has not raised any conflict of interest.

SHARE OWNERSHIP REQUIREMENTS

One objective of our executive compensation program is to align the financial interests of our NEOs with the interests of our shareholders. As a result, we require that senior executives accumulate and maintain a minimum level of share ownership in the Company which may be achieved through direct ownership of shares, Textron Savings Plan shares, unvested RSUs and vested/unvested share equivalents in Textron compensation and benefit plans. Minimum ownership levels are expressed as a multiple of base salary as follows: five times for the CEO and three times for other NEOs. New executive officers are given five years to reach their required ownership level. All NEOs currently meet their respective share ownership requirements.

ANTI-HEDGING AND PLEDGING POLICY

Our executives, including our NEOs, and their designees are prohibited from engaging in short sales of Textron securities and from engaging in transactions in publicly-traded options, such as puts, calls and other derivative securities based on Textron's securities including any hedging, monetization or similar transactions designed to decrease the risks associated with holding Textron securities, and financial instruments such as equity swaps, collars, exchange funds and forward sales contracts. In addition, our NEOs are prohibited from pledging Textron securities as collateral for any loan or holding Textron securities in a margin account. The anti-hedging and pledging policy does not apply to employees generally, but applies to officers at the Company and its subsidiaries who are subject to the Company's insider trading policy.

CLAWBACK POLICY

Our 2015 Long-Term Incentive Plan, as well as our Short-Term Incentive Plan which governs our annual incentive compensation program, include a clawback provision which provides that the Committee shall require reimbursement of any annual incentive payment or long-term incentive payment under any award to an executive officer where (i) the payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of Company financial statements, (ii) the Committee determines the executive engaged in intentional misconduct that caused or substantially caused the need for the restatement and (iii) a lower payment would have been made to the executive based upon the restated financial results.

In addition, the Company's long-term incentive award agreements provide that an executive who violates the noncompetition provisions of the award during employment or within two years after termination of employment with the Company forfeits future rights under the award and must repay to the Company value received during the period beginning 180 days prior to the earlier of termination or the date the violation occurred.

The Company also is subject to the "clawback" provision of Section 304 of the Sarbanes-Oxley Act of 2002 which generally requires public company chief executive officers and chief financial officers to disgorge bonuses, other incentive- or equity-based compensation, and profits on sales of company stock that they receive within the 12-month period following the public release of financial information if there is a restatement because of material noncompliance, due to misconduct, with financial reporting requirements under the federal securities laws.

COMPENSATION ARRANGEMENTS RELATING TO TERMINATION OF EMPLOYMENT

Since hiring Mr. Donnelly, the Committee no longer agrees to formal employment contracts which provide for individual termination protection. Mr. Donnelly's letter agreement with Textron provides for payment of varying benefits to him upon events such as death, disability, retirement and termination under voluntary, involuntary (for cause), involuntary (not for cause or for good reason) or change in control circumstances. Mr. Donnelly's termination benefits are consistent with the terms of our previous CEO's agreement and were approved by the Committee upon Mr. Donnelly's initial hiring in 2008. Mr. Connor, Mr. Lupone and Ms. Duffy are each eligible for termination benefits that are available to all corporate officers as provided by the Severance Plan for Textron Key Executives.

In order for Textron to attract Mr. Donnelly to join the Company after his 19-year career at GE, his pension benefits were designed to take into account his years of service at GE so that he would not be disadvantaged by joining Textron. This benefit has been effected through the adoption of an amendment to the Textron Spillover Pension Plan adding an appendix which provides a "wrap-around pension benefit" to Mr. Donnelly in order to compensate for pension benefits at GE that would otherwise not keep pace with his increasing compensation over the course of his career upon joining Textron. The benefit takes into account his service with both GE and Textron and uses the definition of pensionable compensation and final average compensation in the Textron Spillover Pension Plan. This nonqualified pension benefit became 100% vested upon his completion of ten years of service with Textron and will be reduced by the combined value of any other benefit which he is eligible to receive under (i) a tax-qualified defined benefit plan maintained by GE, (ii) a tax-qualified defined benefit plan maintained by Textron and (iii) the Textron Spillover Pension Plan.

Mr. Connor's letter agreement provides for an enhanced pension benefit which will give him an additional three years of credited service under the Textron Spillover Pension Plan, subject to the vesting terms of that Plan. Neither Mr. Lupone nor Ms. Duffy has been provided any supplemental or enhanced pension benefits.

TAX CONSIDERATIONS

The Committee considers tax and accounting implications in determining all elements of our compensation plans, programs and arrangements, although they are not the only factors considered. In some cases, other important considerations may outweigh tax or accounting considerations, and the Committee maintains the flexibility to compensate its officers in accordance with the Company's compensation philosophy.

Section 162(m) of the Internal Revenue Code provides that no U.S. income tax deduction is allowable to a publicly held corporation for compensation in excess of \$1 million paid to certain named executive officers of the Company. Under the tax law applicable in 2017 and prior years, "performance-based compensation" was exempt from the \$1 million limitation if certain requirements were met. In the past, several elements of our named executive officers' compensation were intended to be deductible under Section 162(m) as performance-based compensation.

The Tax Cuts and Jobs Act of 2017 eliminated the exemption from Section 162(m)'s deduction limit for performance-based compensation, effective for taxable years beginning after December 31, 2017. As a result, we expect that compensation paid to our named executive officers, including performance-based compensation, in excess of \$1 million generally will not be tax-deductible.

EXECUTIVE COMPENSATION

The following Summary Compensation Table sets forth information concerning compensation of our principal executive officer, principal financial officer and each other individual who was serving as an executive officer at the end of Textron's 2020 fiscal year (each, an "NEO" and collectively, the "NEOs").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁴⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾	Total (\$)
Scott C. Donnelly Chairman, President and Chief Executive Officer	2020	1,093,385	10,522,576*	2,493,513	744,000	2,838,193	79,114	17,770,781
	2019	1,236,000	8,247,424	3,544,166	1,737,000	4,056,094	100,914	18,921,598
	2018	1,229,077	6,900,386	3,068,171	2,223,000	412,297	115,986	13,948,917
Frank T. Connor Executive Vice President and Chief Financial Officer	2020	942,308	3,095,821*	735,242	652,000	1,020,675	70,671	6,516,717
	2019	1,000,000	2,411,829	1,045,038	937,000	1,208,027	81,711	6,683,605
	2018	1,000,000	1,991,619	889,314	1,019,000	230,970	82,531	5,213,434
E. Robert Lupone Executive Vice President, General Counsel and Secretary	2020	769,231	1,338,582*	316,719	391,000	0	91,711	2,907,243
	2019	792,308	1,050,566	450,164	562,000	0	98,628	2,953,666
	2018	754,231	887,659	394,262	683,000	0	94,161	2,813,313
Julie G. Duffy Executive Vice President, Human Resources	2020	567,308	957,473*	237,537	293,000	1,104,983	34,065	3,194,366
	2019	540,385	621,510	309,491	387,000	929,448	32,619	2,820,453
	2018	495,192	394,161	222,317	360,000	149,519	30,260	1,651,449

(1) Base salary increases, if any, are implemented in the first pay period in March of each year; therefore, amounts shown in this column may not exactly match the base salaries disclosed in the CD&A.

(2) The numbers shown in this column represent the grant date fair values of equity awards granted during the fiscal year, whether settled in stock or cash. The amounts for 2020 include PSUs and RSUs granted in 2020 which are described in the CD&A, plus amounts attributable to 2019 and 2018 PSU awards as set forth in the table below. The grant date fair values have been determined based on the closing share price on the date of grant. The PSU values included in the Stock Awards column above represent target performance. Assuming maximum performance is achieved, then the grant date fair value of the PSUs would be: Mr. Donnelly \$14,543,615, Mr. Connor \$4,278,047, Mr. Lupone \$1,850,365 and Ms. Duffy \$1,318,064.

* Explanatory Note for Stock Awards:

Target long-term incentive compensation awards (Stock Awards and Option Awards) for 2020 were maintained at 2019 levels for our CEO and all other NEOs, except that Ms. Duffy's target was increased consistent with the competitive range of the talent peer group companies. The year-over-year increase in amounts reported in the Stock Awards column for 2020 arises from the following factors:

- part of the value of PSUs awarded in 2019 and 2018 is reported as 2020 compensation under applicable SEC rules (and correspondingly was not reported as compensation in 2019 and 2018), as shown in the table below;
- the full grant date value of PSUs awarded in 2020 is reported as 2020 compensation, and
- beginning in 2020, Stock Awards constitute 75% of target long-term incentive compensation for our NEOs vs. 70% in prior years.

Under SEC rules, because the performance goals of PSUs granted prior to 2020 were set each year of the three-year performance period, the value attributable to one-third of the PSUs is required to be reported in the Stock Awards column in the year of grant and in each of the following two years. For PSUs awarded in 2020, the full grant date value is reported as 2020 compensation because, as discussed in the Compensation Discussion and Analysis, the Organization and Compensation Committee restructured the PSU program so that the payout is based on performance against pre-established, three-year financial goals. The table below details the amounts of Stock Awards reported above for 2020.

Award	Mr. Donnelly	Mr. Connor	Mr. Lupone	Ms. Duffy
Performance Share Units (Granted in 2020)	\$ 4,961,117	\$1,462,859	\$ 630,153	\$472,584
Restricted Stock Units (Granted in 2020)	2,480,538	731,409	315,056	236,292
Total 2020 Stock Awards Granted in 2020	\$ 7,441,655	\$2,194,268	\$ 945,209	\$708,876
Performance Share Units (Granted in 2019/2018)	3,080,921	901,553	393,373	248,597
Total Stock Awards Reported for 2020	\$10,522,576	\$3,095,821	\$1,338,582	\$957,473

- (3) The amounts that appear in this column represent the grant date fair value of stock options granted during the fiscal year. The grant date fair values have been determined based on the assumptions and methodologies set forth in Note 15 Share-Based Compensation in Textron's Annual Report on Form 10-K for the fiscal year ended January 2, 2021. The number of shares underlying the stock options granted to each NEO during 2020 is detailed in the Grants of Plan-Based Awards in Fiscal 2020 table on page 43.
- (4) The amounts in this column reflect annual incentive compensation earned under Textron's annual incentive compensation program.
- (5) The amounts in this column are attributable to the change in actuarial present value from December 31, 2019 to December 31, 2020 of accumulated pension benefits under all defined benefit plans in which the NEOs participate. For Ms. Duffy, this column also includes \$231 in above-market non-qualified deferred compensation earnings that were posted to her interest-bearing account under the Deferred Income Plan for Textron Executives. Earnings are considered "above-market" if they were higher than 120% of the long-term applicable federal rate with compounding.
- (6) The amounts in this column include the value of other benefits and the incremental cost to Textron in 2020 of providing various perquisites in 2020, as detailed below:

Benefit Type	Mr. Donnelly	Mr. Connor	Mr. Lupone	Ms. Duffy
Spillover Savings Plan Contribution ^(a)	\$40,419	\$32,865	\$66,061	\$14,115
Contributions to Textron Savings Plan	14,250	14,250	25,650	14,250
Contributions to Retirement Plans	5,700	5,700	0	5,700
Perquisites ^(b)	18,745	17,856	0	0
Total	\$79,114	\$70,671	\$91,711	\$34,065

- (a) These amounts represent the value of cash-settled Textron stock units credited to the NEO's Spillover Savings Plan ("SSP") account during the year. For Mr. Lupone, who is not eligible for a defined benefit pension plan, the Company credits an interest-bearing Moody's account within the SSP with an amount equal to 4% of eligible compensation, reduced by the contribution that was made by the Company under the Textron Savings Plan.
- (b) This amount includes the following: (i) \$3,000 for parking for each of Mr. Donnelly and Mr. Connor, (ii) \$4,785 for an annual physical exam for Mr. Donnelly, (iii) \$10,960 for Mr. Donnelly's usage of corporate aircraft to attend meetings of an outside board of directors on which he serves at the request of the Company's board which is deemed to be personal travel under SEC rules, (iv) \$3,192 for the incremental cost to the Company of corporate aircraft dropping off or picking up Mr. Connor at an alternative airport for his personal convenience and (v) \$11,664 for Mr. Connor, representing the Company paid portion of the costs for hangar space utilized by his personal aircraft. In addition, family members and invited guests of Mr. Donnelly occasionally fly as additional passengers on business flights. In those cases, the aggregate incremental cost to the Company is a de minimis amount and, as a result, no amount is reflected in the Summary Compensation Table. Textron values the personal use of corporate aircraft by using an incremental cost method that multiplies the hours flown on a personal flight by an hourly direct operating cost rate for the aircraft flown. The rate per flight hour is derived from the aircraft's variable operating costs which include landing fees, fuel, hangar fees, maintenance, catering, security fees, crew expenses, de-icing costs and other direct operating expenses. The incremental cost of locating aircraft to the origin of a trip or returning aircraft from the completion of a trip are also included in the amount reported.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2020

The following table sets forth information on plan-based compensation awards granted to the NEOs during Textron's 2020 fiscal year. Annual equity awards were approved on January 28, 2020 for grant on March 1, 2020.

Name	Grant Date	Grant Type	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾		Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Stock Units (#) ⁽³⁾	All Other Option Awards: Number of Securities Underlying Options (#) ⁽⁴⁾	Exercise or Base Price of Option Awards (\$/sh) ⁽⁵⁾	Grant Date Fair Value of Stock and Option Awards ⁽⁶⁾
			Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Scott C. Donnelly	3/1/2020	Annual IC	1,854,000	3,708,000							
	3/1/2020	PSUs			30,549	122,195	244,390				4,961,117
	3/1/2020	RSUs						61,097			2,480,538
	3/1/2020	Stock Options							233,913	40.60	2,493,513
	3/1/2020	PSUs ⁽⁷⁾									3,080,921
Frank T. Connor	3/1/2020	Annual IC	1,000,000	2,000,000							
	3/1/2020	PSUs			9,008	36,031	72,062				1,462,859
	3/1/2020	RSUs						18,015			731,409
	3/1/2020	Stock Options							68,972	40.60	735,242
	3/1/2020	PSUs ⁽⁷⁾									901,553
E. Robert Lupone	3/1/2020	Annual IC	600,000	1,200,000							
	3/1/2020	PSUs			3,880	15,521	31,042				630,153
	3/1/2020	RSUs						7,760			315,056
	3/1/2020	Stock Options							29,711	40.60	316,719
	3/1/2020	PSUs ⁽⁷⁾									393,373
Julie G. Duffy	3/1/2020	Annual IC	450,000	900,000							
	3/1/2020	PSUs			2,910	11,640	23,280				472,584
	3/1/2020	RSUs						5,820			236,292
	3/1/2020	Stock Options							22,283	40.60	237,537
	3/1/2020	PSUs ⁽⁷⁾									248,597

(1) These amounts refer to awards of annual incentive compensation made under our Short-Term Incentive Plan. The performance metrics and methodology for calculating payments are described in the CD&A.

(2) These amounts refer to the number of PSUs granted under the Textron Inc. 2015 Long-Term Incentive Plan. PSUs are performance share units which are earned based upon performance against pre-established metrics over a three-year performance period. PSUs are payable in cash based upon the Company's stock price at the end of the three-year performance cycle. The performance metrics are described in the CD&A. Grants of PSUs in 2020 vest at the end of fiscal 2022. The "target" amount to be paid in 2023 assumes 100% of PSUs granted are earned. The "maximum" that can be paid per the plan design is 200% of the PSUs granted, as described in the CD&A.

(3) These amounts represent the number of RSUs granted in 2020 pursuant to the Textron Inc. 2015 Long-Term Incentive Plan. RSUs earn dividend equivalents until vested and vest in full on the third anniversary of the grant date.

(4) These amounts represent the number of stock options granted in 2020 pursuant to the Textron Inc. 2015 Long-Term Incentive Plan. All annual grants of stock options vest ratably over three years, beginning on March 1, 2021, and annually thereafter.

(5) Reflects the exercise price for the stock options granted on March 1, 2020 which is equal to the closing price on the grant date.

(6) Represents the grant date fair value of each equity award listed in the table as determined in accordance with generally accepted accounting principles. With respect to PSUs granted in 2020, the amounts in this column represent the full value of the award since the grant is subject to a three-year performance period (2020 – 2022).

(7) Represents grant date fair value of the 2020 portion of the 2018–2020 and 2019–2021 PSU awards.

OUTSTANDING EQUITY AWARDS AT 2020 FISCAL YEAR-END

The following table sets forth information with respect to the NEOs concerning unexercised options, stock awards that have not yet vested, and other equity incentive plan awards that have not yet vested as of the end of our 2020 fiscal year.

Outstanding Equity Awards at 2020 Fiscal Year-End

Name	Option Awards					Stock Awards					
	Grant Date ⁽¹⁾	Number of Securities Underlying Unexercised Options(#) Exercisable	Number of Securities Underlying Unexercised Options(#) Unexercisable	Option Exercise Price (\$) ⁽²⁾	Option Expiration Date	Type of Stock Award ⁽³⁾	Grant Year	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽⁴⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (\$) ⁽⁵⁾
Scott C. Donnelly	3/1/2020	0	233,913	40.60	3/1/2030	PSU	2020			122,195	5,905,684
	3/1/2019	80,807	161,612	54.43	3/1/2029	RSU	2020	61,097	2,952,818		
	3/1/2018	129,214	64,606	58.24	3/1/2028	PSU	2019			117,480	4,542,247
	3/1/2017	219,619	0	49.58	3/1/2027	RSU	2019	70,488	3,406,685		
	3/1/2016	238,578	0	34.50	3/1/2026	RSU	2018	53,149	2,568,691		
	3/1/2015	194,546	0	44.31	3/1/2025	RSU	2017	40,233	1,944,461		
	3/1/2014	222,319	0	39.70	3/1/2024	RSU	2016	23,900	1,155,087		
	3/1/2013	243,157	0	28.47	3/1/2023						
3/1/2012	300,000	0	27.76	3/1/2022							
Frank T. Connor	3/1/2020	0	68,972	40.60	3/1/2030	PSU	2020			36,031	1,741,378
	3/1/2019	23,827	47,653	54.43	3/1/2029	RSU	2020	18,015	870,665		
	3/1/2018	37,453	18,726	58.24	3/1/2028	PSU	2019			34,640	1,339,321
	3/1/2017	62,591	0	49.58	3/1/2027	RSU	2019	20,784	1,004,491		
	3/1/2016	68,718	0	34.50	3/1/2026	RSU	2018	15,405	744,524		
	3/1/2015	56,705	0	44.31	3/1/2025	RSU	2017	11,466	554,152		
	3/1/2014	63,361	0	39.70	3/1/2024	RSU	2016	6,884	332,704		
	3/1/2013	72,000	0	28.47	3/1/2023						
3/1/2012	91,607	0	27.76	3/1/2022							
E. Robert Lupone	3/1/2020	0	29,711	40.60	3/1/2030	PSU	2020			15,521	750,130
	3/1/2019	10,264	20,527	54.43	3/1/2029	RSU	2020	7,760	375,041		
	3/1/2018	16,604	8,302	58.24	3/1/2028	PSU	2019			14,922	576,944
	3/1/2017	28,056	0	49.58	3/1/2027	RSU	2019	8,953	432,698		
	3/1/2016	31,091	0	34.50	3/1/2026	RSU	2018	6,829	330,046		
	3/1/2015	26,114	0	44.31	3/1/2025	RSU	2017	5,139	248,368		
	3/1/2014	29,752	0	39.70	3/1/2024	RSU	2016	3,114	150,500		
	3/1/2013	34,831	0	28.47	3/1/2023						
Julie G. Duffy	3/1/2020	0	22,283	40.60	3/1/2030	PSU	2020			11,640	562,561
	3/1/2019	7,057	14,112	54.43	3/1/2029	RSU	2020	5,820	281,281		
	3/1/2018	9,363	4,681	58.24	3/1/2028	PSU	2019			10,259	396,654
	3/1/2017	6,260	0	49.58	3/1/2027	RSU	2019	6,155	297,471		
	3/1/2016	7,009	0	34.50	3/1/2026	RSU	2018	3,851	186,119		
	3/1/2015	5,727	0	44.31	3/1/2025	RSU	2017	1,146	55,386		
						RSU	2016	702	33,928		

(1) Stock option awards associated with each annual grant vest ratably over three years on each anniversary of the grant date.

(2) The exercise price of stock options is equal to the closing price of our common stock on the date of grant.

(3) The following types of stock awards are shown in this table:

(a) "PSU" refers to performance share units. These units reward achievement of long-term goals over a three-year performance period, vesting at the end of the third fiscal year. They are settled in cash and valued based on the average closing price of Textron common stock for the first ten trading days of the fiscal year following vesting. Further information about these awards can be found in the CD&A.

(b) "RSU" refers to restricted stock units. RSUs granted prior to 2020 vest over five years, in three equal annual installments, beginning on the third anniversary of the grant date. Beginning with 2020 grants, RSUs vest in full on the third anniversary of the grant date. Upon vesting, common stock will be issued to the executive. RSUs are granted with the right to receive dividend equivalents.

(4) The market value of RSUs that have not vested as of January 2, 2021 was calculated using the fiscal year-end closing share price of \$48.33 multiplied by the number of unvested units as of that date.

(5) PSUs granted in 2019 and 2020 vest, to the extent earned, on January 1, 2022 and December 31, 2022, respectively. The market value of PSUs that have not vested as of year-end 2020 was calculated using the fiscal year-end closing share price of \$48.33 multiplied by the number of unvested units assuming that 100% of the units are earned and, for PSUs granted in 2019, assuming a median TSR performance modifier for the three-year performance period (representing the target performance level).

OPTION EXERCISES AND STOCK VESTED IN FISCAL 2020

The following table provides information concerning option exercises and the vesting of stock, including PSUs and RSUs, during Textron's 2020 fiscal year for each NEO.

Option Exercises and Stock Vested in Fiscal 2020					
Name	Option Awards		Stock Awards		
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Type of Equity Award ⁽¹⁾	Number of Shares or Units Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
Scott C. Donnelly	227,766	3,197,334	PSU	61,817	2,995,652
			RSU	64,875	2,633,925
					5,629,577
Frank T. Connor	69,566	976,881	PSU	17,918	868,306
			RSU	18,696	759,058
					1,627,364
E. Robert Lupone	0	0	PSU	7,944	384,966
			RSU	8,484	344,450
					729,416
Julie G. Duffy	0	0	PSU	4,479	217,052
			RSU	1,890	76,734
					293,786

(1) "PSU" and "RSU" are described in more detail in footnote 3 to the previous table.

(2) Valuation methodology for the PSUs is described in footnote 5 to the previous table, using actual performance results.

PENSION BENEFITS IN FISCAL 2020

The table below sets forth information on the pension benefits for the NEOs under each of the Company's pension plans:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit (\$) ⁽¹⁾	Payments During Last Fiscal Year (\$)
Scott C. Donnelly	TRP	12.50	602,786	0
	Spillover	12.50	6,175,989	0
	Wrap Around	31.50 ⁽²⁾	9,251,576	0
	Total		16,030,351	
Frank T. Connor	TRP	11.42	580,711	0
	Spillover	11.42	3,451,781	0
	Add'l Credited Service	3.00 ⁽²⁾	1,059,633	0
	Total		5,092,125	
E. Robert Lupone ⁽³⁾	N/A	N/A	N/A	N/A
Julie G. Duffy	TRP	23.50	1,069,968	0
	Spillover	23.50	2,111,456	0
	TSPPSO	23.50	492,576	0
	Total		3,674,000	

(1) The present value of the accumulated benefit has been calculated consistent with the assumptions set forth in Note 16 Retirement Plans in Textron's Annual Report on Form 10-K for the fiscal year ended January 2, 2021.

(2) Years of extra service granted to the executive by employment letter.

(3) Mr. Lupone is not eligible to participate in any of our pension plans.

A brief description of each of the Company's pension plans referenced above follows.

TRP: Textron Retirement Program

Textron's retirement benefits for U.S. salaried and eligible bargained employees, the Textron Retirement Program ("TRP"), is designed to be a "floor-offset" arrangement which has two parts. The first is a traditional defined pension benefit which provides a set monthly income (pension) at retirement through a formula based on age, years of service and annual compensation. The second is a defined contribution benefit called the Textron Retirement Account Plan. The TRP is funded and tax qualified.

Benefits under the TRP are based on one and one-third percent of eligible compensation, provided that, for service years prior to 2007 (which only applies to Ms. Duffy), benefits are based on a one percent annual benefit for eligible compensation up to the "covered compensation" level (\$70,993 in 2020), plus an additional amount equal to one and one-half percent of eligible compensation in excess of covered compensation. "Eligible Compensation" includes base salary plus annual incentive payments in a given year, up to the Internal Revenue Code limit (\$285,000 in 2020). The benefit formula is calculated based on eligible employees' highest consecutive five-year average eligible compensation throughout their career at Textron. Provided an employee meets the five years of qualifying service to become vested in the TRP, the accumulated benefit earned during an employee's career is payable in monthly installments after retirement. While the normal retirement age under the TRP is 65, eligible employees who meet defined age and service criteria can retire and begin collecting a reduced benefit as early as age 55. Mr. Donnelly, Mr. Connor and Ms. Duffy qualify for the early retirement benefit under the TRP.

Under the Textron Retirement Account Plan, Textron makes annual contributions to a participant's account equal to 2% of eligible compensation up to the Internal Revenue Code limit, and the account balance is adjusted for investment gains and losses. The participant may receive the account in a lump sum or as an actuarially equivalent annuity upon termination of employment at any age. The value of any distribution from the Textron Retirement Account Plan offsets benefits accrued after 2006 under the pension formula.

Effective January 1, 2010, the TRP was closed to new entrants, and new employees, including Mr. Lupone, instead receive an annual company contribution to the Textron Savings Plan equal to 4% of eligible compensation up to the Internal Revenue Code Limit.

SPP: Spillover Pension Plan

Textron maintains the Spillover Pension Plan (“SPP”) to compensate certain Textron executives for pension benefits that would have been earned but for limitations imposed on tax-qualified plans under federal law. The formula for the SPP is the same as the formula for the defined benefit portion of the qualified plan (the TRP). Eligible compensation components include base salary and annual incentive compensation paid in a given year. The amount included in the formula equals the total of these components (whether or not deferred), less the Internal Revenue Code limit noted above (\$285,000 in 2020). Benefits under the SPP also vest after five years of qualifying service, and are generally paid under the same age and service requirements as the defined benefit portion of the TRP. This plan is unfunded and not qualified for tax purposes.

In 2008, an appendix was added to the SPP for certain designated participants hired on or after January 1, 2008, including Mr. Donnelly, to provide a “wrap-around pension benefit.” This appendix will recognize an additional benefit service accrual identified in the offer letter of the designated participant and the resulting calculation will be offset by the prior employer age 65 benefit as described in the offer letter, and any qualified and non-qualified age 65 benefit provided by Textron. Specific to Mr. Donnelly, refer to the CD&A for details on his “wrap-around” benefit.

Effective January 1, 2010, the SPP was closed to new entrants except for those who were participants in the Textron Retirement Program on December 31, 2009. Mr. Lupone, therefore, is not eligible to participate in the SPP.

TSPPSO: Textron Supplemental Pension Plan in Lieu of Stock Options

The Textron Supplemental Pension Plan in Lieu of Stock Options (“TSPPSO”) is a pension enhancement benefit that was provided to a select group of employees whose stock option grants were reduced beginning in 2003. The plan increases pensionable earnings for these employees by approximately 10-15%. Benefits under the TSPPSO also vest after five years of qualifying service, and are generally paid under the same age and service requirements as the defined benefit portion of the TRP. This plan is unfunded and not qualified for tax purposes.

The TSPPSO is no longer open to new entrants. Based on Ms. Duffy’s position in 2003, she is the only NEO who is eligible to participate in the plan.

NONQUALIFIED DEFERRED COMPENSATION

The table below shows the deferred compensation activity for each NEO during 2020 under nonqualified deferred compensation plans maintained by Textron.

Name	Plan Name	Registrant Contributions in Last FY (\$) ⁽¹⁾	Aggregate Earnings in Last FY (\$) ⁽²⁾	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE (\$) ⁽³⁾
Scott C. Donnelly	Spillover Savings Plan	40,419	54,072	0	750,668
Frank T. Connor	Spillover Savings Plan	32,865	32,726	0	462,730
E. Robert Lupone	Spillover Savings Plan	66,061	25,988	0	596,500
Julie G. Duffy	Deferred Income Plan	0	757	0	20,660
	Spillover Savings Plan	14,115	3,930	0	65,741

- (1) The amounts shown in this column include contributions made by Textron into each executive's notional deferred income account in the Textron Spillover Savings Plan (the "SSP") in 2020. There are two types of Company contributions made under the SSP. First, if a participant contributes at least 10% of eligible compensation to the tax-qualified Textron Savings Plan ("TSP"), then the participant's stock unit account within the SSP is credited with a match equal to 5% of eligible compensation reduced by the matching contribution under the TSP. Second, for Mr. Lupone and other employees hired after 2009 who are not eligible for a defined benefit pension plan, the Company credits the interest-bearing Moody's account within the SSP with an amount equal to 4% of eligible compensation reduced by the contribution that was made by the Company under the TSP. These amounts are also reported in the "All Other Compensation" column in the Summary Compensation table on page 41.
- (2) The amounts in this column reflect aggregate earnings during the fiscal year on amounts accrued in the participants' accounts under the SSP and the DIP, if applicable, based upon the terms of each plan, as described below. To the extent the credited rate exceeds 120% of the long-term applicable federal rate, such earnings are considered "above-market earnings". The amount of above-market earnings in the DIP was \$231 for Ms. Duffy. These earnings are also reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column in the Summary Compensation Table.
- (3) Of these balances, the following amounts were reported in Summary Compensation Tables in prior-year proxy statements: Mr. Donnelly \$464,974, Mr. Connor \$311,383, Mr. Lupone \$452,579 and Ms. Duffy \$30,690. This information is provided to clarify the extent to which amounts payable as deferred compensation represent compensation reported in our prior proxy statements, rather than additional currently earned compensation.

A brief description of the Company's deferred compensation plans referenced above follows.

DIP: Deferred Income Plan for Textron Executives

NEOs deferring compensation into the Deferred Income Plan for Textron Executives ("DIP") have forgone current compensation in exchange for an unsecured promise from the Company to pay the deferred amount after their employment ends. NEOs can defer up to 80% of their base salary and certain other cash compensation including annual incentive compensation and long-term incentive distributions settled in cash. The "principal" amount that is deferred can be credited with either a Moody's-based interest rate or a rate of return that approximates the return on investment for a share of Textron common stock, including dividend equivalents, based upon the elections made annually by each NEO. The interest rate applicable to the Moody's account is the average Moody's Corporate Bond Yield Index as published by Moody's Investors Service, Inc. The compounded Moody's yield for 2020 was 3.10%, which was applied to all deferrals made subsequent to December 31, 2001.

SSP: Textron Spillover Savings Plan

The Textron Spillover Savings Plan (the "SSP") makes up for forgone Company matches into the tax-qualified Textron Savings Plan because of federal compensation limits, as a result of deferring income under the DIP, and for employees hired or rehired after 2009 who are not eligible for a defined benefit pension plan. NEO contributions to the qualified savings plan are capped at 10% of eligible compensation up to the Internal Revenue Code limit (\$285,000 in 2020). The contribution amount for employees hired or rehired after 2009 is based on 4% of eligible compensation. Contributions under the SSP are tracked in the form of unfunded book-entry accounts credited as stock units, which earn dividend equivalents and which are reinvested into stock units. NEOs are not permitted to make contributions to the SSP.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The discussion and tables below reflect the amount of compensation that would become payable to each of the NEOs under existing plans and arrangements if the named executive's employment had terminated and/or a change in control had occurred on December 31, 2020, the last business day of Textron's 2020 fiscal year. Information is provided with respect to the following termination scenarios—voluntary, “for cause”, death or disability, “not for cause” or “good reason”, change in control—and is based upon the named executive's compensation and service levels as of such date and, if applicable, based on the Company's closing stock price on that date.

In addition, in connection with any future actual termination of employment, the Company may determine to enter into an agreement or to establish an arrangement providing additional benefits or amounts or altering the terms of benefits described below, as the Organization and Compensation Committee believes appropriate. The actual amounts that would be paid upon a NEO's termination of employment can be determined only at the time of such executive's separation from the Company. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be higher or lower than reported below. Factors that could affect these amounts include the timing during the year of any such event, the Company's share price and the executive's age.

Payments Made Upon a Voluntary Termination by an Executive

Voluntary termination occurs when the NEO leaves the Company at his or her own will (e.g., voluntary resignation or retirement). Upon a voluntary termination, executives are entitled only to their vested or accrued obligations. Additionally, because Mr. Donnelly, Mr. Connor and Ms. Duffy are retirement eligible (age 55 with at least ten years of service to Textron), they also would be entitled to the following:

- RSUs would continue to vest according to their vesting schedules
- PSUs would continue to vest according to their vesting schedules
- Unvested stock options would continue to vest per their respective vesting schedules; vested stock options would remain exercisable until the earlier of the remaining term of the stock options or 48 months after termination

Payments Made Upon a Termination in Connection with Death or Disability

Upon a termination in connection with death or disability, each of the NEOs would be entitled to their vested or accrued obligations as well as the following:

- RSUs would vest in full upon the occurrence of the event
- PSUs would accelerate and vest pro-rata
- In the event of disability, vested stock options issued prior to 2014 would remain exercisable until the original expiration date; in the event of death, they would remain exercisable until the earlier of the remaining term of the option or 12 months after the date of death. Unvested stock options issued in 2014 or later would vest in full; stock options would be exercisable until the earlier of the remaining term of the option or five years after the date of disability/death
- Full vesting of benefits under the Textron Savings Plan, SSP, DIP and Retirement Account Plan

Payments Made Upon a Termination “For Cause” by the Company

A “for cause” termination occurs when a NEO is separated from Textron after engaging in one or more activities including, but not limited to: (i) conviction of, or pleading *nolo contendere* or guilty to, a felony (other than a traffic infraction or a crime involving vicarious liability under certain circumstances), (ii) willful misrepresentation, fraud or dishonesty for personal enrichment at the expense of Textron, (iii) willful misconduct or behavior, willful violation of the Company's Business Conduct Guidelines, or breach of the NEO's fiduciary duties, in each case, that results in material harm to Textron, or (iv) willful failure to attempt to perform his or her duties or willful failure to attempt to follow the legal written direction of the Board. Upon a termination “for cause,” each of the NEOs would be entitled only to their vested or accrued obligations.

Payments Made Upon a “Not For Cause” Termination by the Company or by an Executive for “Good Reason”

Mr. Donnelly

A “not for cause” termination (also called “involuntary termination”) occurs when employment ends either at the initiation of Textron, but without circumstances that would indicate a “for cause” situation, or at the initiation of the executive for “Good Reason.” Mr. Donnelly's letter agreement with the Company provides certain severance benefits in the event of a “not for cause”

or “Good Reason” termination. “Good Reason” means the occurrence of one or more of the following: (i) the assignment to Mr. Donnelly of duties that are materially inconsistent with his position, (ii) the material reduction of Mr. Donnelly’s position, (iii) the forced relocation of Mr. Donnelly’s principal office, (iv) a reduction in Mr. Donnelly’s salary or other benefits, (v) the failure of the Company to deliver to Mr. Donnelly a satisfactory written agreement from any successor to the Company to assume and agree to perform under the letter agreement, or (vi) other material breach by Textron of the letter agreement. Upon a termination “not for cause,” or for “Good Reason,” Mr. Donnelly would be entitled to his vested or accrued obligations as well as the following:

- Cash Severance Benefit Comprised of:
 - Two times the sum of (i) base salary and (ii) the greater of (a) the termination year target annual cash incentive compensation and (b) the average annual cash incentive compensation earned during the last three fiscal years, paid in monthly installments over two years
- Treatment of Long-Term Incentive Awards:
 - RSUs would continue to vest according to their vesting schedules
 - PSUs would continue to vest according to their vesting schedules
 - Unvested stock options would continue to vest per their respective vesting schedules; vested stock options would remain exercisable until the earlier of the remaining term of the stock options or 48 months after termination
- Benefits under Retirement Plans:
 - Credit for an additional two and one-half years of age and service and compensation under all defined benefit-type retirement plans (including the SPP)
 - A lump sum payment equal to two times the amount of maximum Company annual contribution or match to any defined contribution-type plan in which the executive participates
- Continuation of Insurance Coverage: Continued coverage (or the cash equivalent thereof) for two years under the Company’s term life insurance and long-term disability insurance plans, and, to the extent eligible on the date of termination, under the accidental death and dismemberment insurance and dependent life insurance plans

Other NEOs

The Severance Plan for Textron Key Executives, in which each of the other NEOs participates, provides severance pay for involuntary termination only if the executive signs a release provided in and required by the plan document. This severance pay is equal to the sum of: (i) the executive’s annual rate of base salary at the date of severance, and (ii) the larger of (a) the average of his or her three most recent actual awards of annual incentive compensation (whether or not deferred) and (b) his or her current target incentive compensation under the annual incentive compensation plan.

Payments Made Upon a Termination in Connection with a “Change in Control”

Mr. Donnelly

A “change in control” termination would occur if Mr. Donnelly experiences a “not for cause” termination during the period beginning 180 days before a change in control and ending on the second anniversary of the change in control. Mr. Donnelly’s letter agreement with the Company provides certain severance benefits in the event of a “change in control” termination. For purposes of Mr. Donnelly’s letter agreement, a “change in control” means the occurrence of any of the following events: (i) any person unrelated to Textron acquires more than 30% of Textron’s then outstanding voting stock, (ii) a majority of the members of the Board of Directors are replaced in any two-year period other than in specific circumstances, (iii) the consummation of a merger or consolidation of Textron with any other corporation, other than a merger or consolidation in which Textron’s voting securities outstanding immediately prior to such merger or consolidation continue to represent at least 50% of the combined voting securities of Textron or such surviving entity immediately after such merger or consolidation, or (iv) shareholder approval of an agreement for the sale or disposition of all or substantially all of Textron’s assets or a plan of complete liquidation. Upon a termination in connection with a “change in control,” Mr. Donnelly would be entitled to his vested or accrued obligations as well as the following:

- Cash Severance Benefit, Payable in a Lump Sum, Comprised of:
 - Three times base salary
 - Three times the greater of (i) the average annual cash incentive compensation over the three years prior to the earlier of the change of control or the termination and (ii) the termination year target annual cash incentive compensation

- Treatment of Long-Term Incentive Awards:
 - Outstanding unvested stock options, PSUs and RSUs would be subject to immediate and full vesting acceleration as of the change in control.
 - PSUs granted in 2018 and 2019 will be paid based on actual performance through the change in control and based on target performance after the change in control.
- Benefits under Retirement Plans:
 - Full vesting and credit for an additional three years of age and service and compensation under all defined benefit-type retirement plans (including the SPP)
 - Full vesting acceleration under the Spillover Savings Plan
 - A payment equal to three times the amount of maximum Company annual contribution or match to any defined contribution-type plan in which the executive participates
- Continuation of Insurance Coverage: Continued coverage (or the cash equivalent thereof) for three years under the Company's term life insurance and long-term disability insurance plans, and, to the extent eligible on the date of termination, under the accidental death and dismemberment insurance and dependent life insurance plans
- Additional Perquisites: Outplacement assistance for up to one year following termination
- Tax Gross-Up Payment: Subject to certain conditions, the Company would gross-up severance payments to cover the executive's excise taxes, if any, determined in accordance with Sections 4999 and 280G of the Internal Revenue Code

Other NEOs

The Severance Plan for Textron Key Executives, in which each of the other NEOs participates, provides severance pay and severance benefits in the event of an involuntary termination or termination for "good reason" by the executive following a change of control only if the executive signs a release provided in and required by the plan document. The severance pay, payable in a lump sum, is equal to the sum of: (i) the executive's annual rate of base salary at the date of severance, and (ii) the larger of (a) the average of his or her three most recent actual awards of annual incentive compensation (whether or not deferred) and (b) his or her current target incentive compensation under the annual incentive compensation plan. In addition, medical and dental benefits would be provided by Textron to the executive and to his or her dependents, on terms which are not less favorable to them than the terms existing immediately before severance. Such severance benefits would be continued for eighteen months following severance (or, if less, until the executive or dependent obtains comparable coverage under another employer's plan or Medicare).

Under the Severance Plan for Textron Key Executives, "change of control" means the occurrence of any of the following events: (i) any person unrelated to Textron (a) becomes (other than by acquisition from Textron) the beneficial owner of more than 50% of Textron's then outstanding voting stock, (b) acquires more than 30% of Textron's then outstanding voting stock, or (c) acquires all or substantially all of the total gross fair market value of all of the assets of Textron, (ii) a merger or consolidation of Textron with any other corporation occurs, other than a merger or consolidation that would result in the voting securities of Textron outstanding immediately before the merger or consolidation continuing to represent 50% or more of the combined voting power of the voting securities of Textron or such surviving entity outstanding immediately after such merger or consolidation, or (iii) during any 12-month period, a majority of the members of the Board is replaced by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors before the date of their appointment or election.

In addition, in the event of a not for cause or good reason termination in connection with a change of control, the other NEOs would receive (i) full vesting acceleration under the SPP, SSP and TSP and (ii) full vesting of long-term incentive awards which would be payable in the same manner described above for Mr. Donnelly.

The following tables show additional or accelerated payments which would be payable to our NEOs under existing agreements, plans or other arrangements, for various scenarios triggered by a termination of employment, assuming the termination date to be December 31, 2020, and, where applicable, using the closing price of our common stock of \$48.33 (as reported on the New York Stock Exchange on December 31, 2020, the last trading day of our fiscal year).

Scott C. Donnelly	Voluntary⁽¹⁾	Disability	Death	For Cause	Not For Cause	Change in Control⁽²⁾
Annual Incentive / Severance	0	\$ 0	\$ 0	\$ 0	\$ 6,180,000	\$ 9,270,000
RSU settled in stock or cash ⁽³⁾	12,027,742	12,027,742	12,027,742	0	12,027,742	12,027,742
Stock Options ⁽³⁾	1,808,147	1,808,147	1,808,147	0	1,808,147	1,808,147
Cash settlement of PSUs ⁽³⁾	9,481,190	2,061,423	2,061,423	0	9,481,190	9,481,190
Pension benefit ⁽⁴⁾	0	0	0	0	3,753,521	4,657,903
Other benefits ⁽⁵⁾	0	0	0	0	132,986	379,480
Amount Triggered due to Termination	23,317,079	\$ 15,897,312	\$ 15,897,312	\$ 0	\$ 33,383,586	\$ 37,624,462

Frank T. Connor	Voluntary⁽¹⁾	Disability	Death	For Cause	Not For Cause	Change in Control⁽²⁾
Annual Incentive / Severance	0	\$ 0	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000
RSU settled in stock or cash ⁽³⁾	3,506,535	3,506,535	3,506,535	0	3,506,535	3,506,535
Stock Options ⁽³⁾	533,154	533,154	533,154	0	533,154	533,154
Cash settlement of PSUs ⁽³⁾	2,795,647	607,846	607,846	0	2,795,647	2,795,647
Pension benefit	0	0	0	0	0	0
Other benefits ⁽⁵⁾	0	0	0	0	0	22,055
Amount Triggered due to Termination	6,835,336	\$ 4,647,535	\$ 4,647,535	\$ 0	\$ 8,835,336	\$ 8,857,391

E. Robert Lupone	Voluntary	Disability	Death	For Cause	Not For Cause	Change in Control⁽²⁾
Annual Incentive / Severance	0	\$ 0	\$ 0	\$ 0	\$ 1,400,000	\$ 1,400,000
RSU settled in stock or cash ⁽³⁾	0	1,536,652	1,536,652	0	0	1,536,652
Stock Options ⁽³⁾	0	229,666	229,666	0	0	229,666
Cash settlement of PSUs ⁽³⁾	0	261,837	261,837	0	0	1,204,281
Pension benefit	0	0	0	0	0	0
Other benefits ⁽⁵⁾	0	0	0	0	0	14,338
Amount Triggered due to Termination	0	\$ 2,028,155	\$ 2,028,155	\$ 0	\$ 1,400,000	\$ 4,384,937

Julie G. Duffy	Voluntary⁽¹⁾	Disability	Death	For Cause	Not For Cause	Change in Control⁽²⁾
Annual Incentive / Severance	0	\$ 0	\$ 0	\$ 0	\$ 1,050,000	\$ 1,050,000
RSU settled in stock or cash ⁽³⁾	854,184	854,184	854,184	0	854,184	854,184
Stock Options ⁽³⁾	172,248	172,248	172,248	0	172,248	172,248
Cash settlement of PSUs ⁽³⁾	874,794	180,032	180,032	0	874,794	874,794
Pension benefit	0	0	0	0	0	0
Other benefits ⁽⁵⁾	0	0	0	0	0	22,055
Amount Triggered due to Termination	1,901,226	\$ 1,206,464	\$ 1,206,464	\$ 0	\$ 2,951,226	\$ 2,973,281

(1) Mr. Donnelly, Mr. Connor and Ms. Duffy are retirement eligible (age 55 with at least ten years of service to Tectron) which entitles them to continued vesting of their unvested RSUs, stock options and PSUs upon a voluntary termination.

(2) Amounts reported in the "Change in Control" column are paid only upon a "not for cause" or "good reason" termination in connection with a Change in Control.

(3) Amounts reported for RSUs, stock options and PSUs reflect accelerated, prorated and/or continued vesting triggered by termination event under each scenario, respectively. PSU amounts have been calculated assuming that the 2019-2021 PSU cycle will be paid at 63% of target and the 2020-2022 PSU cycle will be paid at 100% of target. These figures are based on actual Company performance against goals for 2019 and 2020, and target Company performance against goals for 2021 and three-year goals for 2020-2022. In addition, the figures assume median total shareholder return performance over each three-year PSU cycle.

(4) Potential pension benefits have been calculated assuming a discount rate of 2.70%.

(5) Other benefits (i) for Mr. Donnelly, includes, under the "Not for Cause" scenario, \$12,248 in continuation of insurance coverage and \$120,738 in additional benefits under retirement plans, and, under the "Change in Control" scenario, \$18,372 in continuation of insurance coverage, \$181,108 in additional benefits under retirement plans and outplacement assistance valued at \$180,000, (ii) for the other NEOs, represents continuation of health benefits.

PAY RATIO

We are required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and Securities and Exchange Commission (“SEC”) rules to provide the ratio of the annual total compensation of Mr. Donnelly, our Chief Executive Officer, to that of an employee whose annual compensation is at the median of all our employees.

Textron and its consolidated subsidiaries together have approximately 33,000 employees located throughout the world, with approximately 76% in the U.S., 11% in Europe, 7% in Canada and Mexico combined, 5% in Asia and 1% elsewhere.

To identify the employee with compensation at the median of all employees for our 2020 fiscal year, we used “annual rate”, as reflected in our enterprise-wide human resources information system, as of October 1, 2020, for all of our employees, including part time, temporary and seasonal employees. The annual rate for salaried employees reflects base salary paid on an annual basis. For hourly employees, the annual rate is arrived at using their hourly rate and standard work hours. We did not make any cost-of-living adjustments despite the large variety of labor markets in which our employees work, nor did we make any adjustments to account for the variety of compensation arrangements used to pay employees in varying roles (e.g., we did not include overtime, commissions, bonuses or other types of non-fixed compensation).

Using this methodology for 2020, we determined that the “median employee” was a full-time, hourly employee located in the U.S. Total compensation for the median employee in the 2020 fiscal year was in the amount of \$106,481. “Annual total compensation” of the median employee includes regular and overtime earnings, an annual bonus payment, Company contributions to a 401(k) plan on behalf of the employee, and the Company-paid portion of health and welfare benefits.

“Annual total compensation” for Mr. Donnelly for the 2020 fiscal year was \$17,793,202, which is a \$22,421 increase over the amount reflected in the “Total” column in the Summary Compensation Table on page 41. The increase reflects the inclusion of Mr. Donnelly’s health and welfare benefits which are excluded from the Summary Compensation Table amounts under SEC rules. Based upon this information, for 2020 the ratio of the annual total compensation of Mr. Donnelly to the annual total compensation of the median employee was 167 to 1.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information, as of the end of Textron's 2020 fiscal year, for all Textron compensation plans previously approved by shareholders. There are no compensation plans not previously approved by shareholders.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by shareholders	10,401,865 ⁽¹⁾	44.03 ⁽²⁾	8,901,038 ⁽³⁾
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	10,401,865	44.03	8,901,038

(1) Includes 583,112 unvested shares that may be issued under previously granted RSUs.

(2) This value reflects the weighted average exercise price of outstanding stock options only.

(3) Consists of shares remaining available for issuance under the Textron Inc. 2015 Long-Term Incentive Plan that may be issued pursuant to stock options, stock appreciation rights, performance stock, restricted stock, RSUs and other awards, provided that no more than 3,491,464 shares may be issued pursuant to awards other than stock options and stock appreciation rights.

EVALUATION OF RISK IN COMPENSATION PLANS

In addition to the Company's incentive compensation arrangements applicable to senior executives throughout the enterprise, the Company's business units maintain incentive compensation plans and programs in which business unit employees below the senior executive level participate (such as sales incentive plans and incentive programs linked to safety and customer service, etc.). Textron's management reviews these business unit incentive compensation plans and programs as they relate to risk management practices and risk-taking incentives.

TRANSACTIONS WITH RELATED PERSONS

Except as described below, since the beginning of Textron's 2020 fiscal year, there have been no transactions and there are no currently proposed transactions, in which Textron was or is to be a participant and the amount involved exceeds \$120,000 and in which any related person had or will have a direct or indirect material interest.

Both Mr. Donnelly and Mr. Connor are licensed pilots who each own a Citation business jet which they use for both personal and business purposes. Each executive holds their aircraft through a limited liability company ("LLC") which has entered into an Amended and Restated Hangar License and Services Agreement with the Company related to the sublease by the respective LLCs of a portion of the Company's leased hangar space and the provision of other services.

These Amended and Restated Hangar License and Services Agreements each provide that the Company will provide certain aircraft maintenance and other services, including pilot services, for the executives' personal aircraft. Each of Mr. Donnelly and Mr. Connor pays \$1,500 per month rent for the hangar space used by his aircraft. The Company pays the difference in cost for the portion of hangar space utilized by Mr. Connor's aircraft above this monthly payment which amount is included in "All Other Compensation" in the Summary Compensation Table on page 41. Fees for maintenance, pilot services and all other services are set at market rates, and the executives' LLCs fully reimburse the Company at such market rates. The Company permits the executives' LLCs to purchase fuel from the Company's bulk fuel storage facility and at certain other airports at the discounted rates afforded to the Company, and the Company's Aviation Department facilitates the executives' personal flights and performs various administrative duties in connection with these aircraft. Both Amended and Restated Hangar License and Services Agreements have been approved by the Nominating and Corporate Governance Committee. During our 2020 fiscal year, Mr. Donnelly's LLC and Mr. Connor's LLC paid total costs to Textron under these agreements of \$64,303 and \$44,948, respectively.

In December 2018, Textron entered into a non-exclusive, non-continuous Aircraft Dry Lease Agreement with Mr. Donnelly's LLC pursuant to which the Company leases Mr. Donnelly's aircraft in order to enable the Company to use his aircraft for business flights on an as-needed basis. This arrangement is beneficial to the Company as Mr. Donnelly travels frequently for business, and his aircraft is more economical for many of his flights than the larger business jets operated by the Company's flight department. In addition, the Dry Lease enables the flight department to have operational control of the aircraft while it is being flown on Textron business flights. The Dry Lease is for a term of one year, automatically renewable for subsequent one-year terms, subject to the parties' termination rights. The Company pays no lease payment for its use of the aircraft; it is responsible only for costs directly attributable to the Textron business flight, including maintenance reserve payments allocated to the Company's flights based upon flight hours in respect of maintenance service program agreements that apply to Mr. Donnelly's aircraft. In addition, the Company pays rent for hangar space in excess of the amount paid by Mr. Donnelly as described above. The Nominating and Corporate Governance Committee has approved the Aircraft Dry Lease Agreement.

During 2020, pursuant to the terms of the Dry Lease, the Company's allocation of maintenance reserves for Company business flights on Mr. Donnelly's aircraft was \$39,456 and the Company incurred \$25,491 for the incremental cost of hangar space utilized by Mr. Donnelly's aircraft. In turn, Mr. Donnelly's LLC and Mr. Connor's LLC each engaged Textron Aviation's service centers to perform maintenance work on their aircraft during 2020 for which they were charged an arm's length price of \$49,786 and \$102,087, respectively. Mr. Connor also paid \$7,550 to FlightSafety Textron Aviation Training LLC, a entity 30% owned by the Company, for recurrent pilot training. This amount represents a 50% discount to the retail price, a discount provided to employees and contractors of certain affiliates of the Company.

Under Textron's Corporate Governance Guidelines and Policies, all related party transactions are subject to approval or ratification by the Nominating and Corporate Governance Committee. Related party transactions, referred to as "Interested Transactions with Related Parties" under the Guidelines, are generally defined as any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) where the Company is a participant, in which the aggregate amount involved since the beginning of the Company's last fiscal year exceeds or is expected to exceed \$100,000 and an executive officer, director, nominee or greater than 5% beneficial holder or immediate family member of any of the foregoing has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). In determining whether to approve or ratify such a transaction, the committee takes into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

ADVISORY VOTE TO APPROVE TEXTRON'S EXECUTIVE COMPENSATION

The Board has adopted a policy providing for an annual “say-on-pay” advisory vote. In accordance with this policy and Section 14A of the Securities Exchange Act of 1934, as amended, enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and as a matter of good corporate governance, we are providing our shareholders with an advisory (non-binding) vote to approve the compensation of our named executive officers as disclosed in this proxy statement. This vote is advisory only, and it is not binding on Textron or on our Board of Directors. Although the vote is non-binding, the Organization and Compensation Committee (the “Committee”) and the Board will carefully consider the outcome of the vote when making future compensation decisions.

Textron's compensation philosophy is to establish target total pay with reference to a talent peer group and to tie a substantial portion of our executives' compensation to performance against objective business goals and stock price performance. This approach helps us to recruit and retain talented executives, incentivizes our executives to achieve desired business goals and aligns their interests with the interests of our shareholders. For a full discussion of our executive compensation programs and 2020 compensation decisions made by the Committee, see “Compensation Discussion and Analysis” beginning on page 23.

Textron's Board of Directors believes that the Company's executive compensation program is working to align management's interests with those of our shareholders to support long-term value creation. Accordingly, Textron shareholders are being asked to vote “FOR” the following advisory resolution at the annual meeting:

“RESOLVED, that the shareholders approve, on an advisory basis, the Company's compensation of its named executive officers, as disclosed in the Proxy Statement for the 2021 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis and the compensation tables regarding named executive officer compensation, together with the accompanying narrative disclosure.”

Unless the Board modifies its policy on the frequency of future say-on-pay advisory votes, the next say-on-pay advisory vote will be held at the 2022 Annual Meeting of Shareholders.



The Board of Directors recommends a vote “FOR” the resolution approving the Company's executive compensation (Item 2 on the proxy card).

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit Textron's financial statements. The Audit Committee has appointed Ernst & Young LLP to serve as the Company's independent registered public accounting firm for 2021. Ernst & Young LLP or its predecessors have served as the independent registered public accounting firm for the Company for over twenty years. In addition to ensuring the regular rotation of the lead audit partner as required by law, the Audit Committee is involved in the selection of, and reviews and evaluates, the lead audit partner.

The Audit Committee and the Board believe that the appointment of the firm of Ernst & Young LLP to audit Textron's consolidated financial statements for 2021 is in the best interests of the Company and its shareholders and propose and recommend that the shareholders ratify the Audit Committee's appointment of Ernst & Young LLP as independent registered public accounting firm for 2021.

Although ratification is not required by our By-Laws or otherwise, the Audit Committee is submitting the selection of Ernst & Young LLP to shareholders as a matter of good corporate governance. If shareholders do not ratify the appointment, the Audit Committee will reconsider its selection. A representative or representatives of Ernst & Young LLP will be present at the annual meeting and will have the opportunity to make a statement and be available to respond to appropriate questions.

FEES TO INDEPENDENT AUDITORS

The following table presents fees billed for professional services rendered by Ernst & Young LLP for the audit of Textron's annual financial statements, the reviews of the financial statements in Textron's Forms 10-Q, and other services in connection with statutory and regulatory filings and engagements for 2019 and 2020 and fees billed for audit-related services, tax services and all other services rendered by Ernst & Young LLP in 2019 and 2020.

Fee Type	2019	2020
	(\$ in thousands)	
Audit Fees	\$ 12,094	\$ 9,446
Audit-Related Fees ⁽¹⁾	579	709
Tax Fees ⁽²⁾	11	11
All Other Fees	0	0
Total Fees	\$ 12,684	\$ 10,166

(1) Audit-related fees include fees for employee benefit plan audits, attest services not required by statute or regulation, and consultations concerning financial accounting and reporting matters not classified as audit.

(2) Tax fees include fees for tax services relating to consultations and compliance.

Under the Audit and Non-Audit Services Pre-Approval Policy approved by the Audit Committee, all audit and non-audit services to be performed by the independent auditor for Textron require pre-approval by the Audit Committee. The Audit Committee may delegate pre-approval authority to one or more of its members. Any pre-approvals pursuant to delegated authority shall be reported to the Audit Committee at its next scheduled meeting. The Audit Committee cannot delegate pre-approval authority to management.

All audit-related services, tax services and other services for 2020 were pre-approved by the Audit Committee, which determined that such services would not impair the independence of the auditor and are consistent with the Securities and Exchange Commission's rules on auditor independence.



The Board of Directors recommends a vote "FOR" ratification of the appointment by the Audit Committee of Ernst & Young LLP (Item 3 on the proxy card).

SHAREHOLDER PROPOSAL ON WRITTEN CONSENT

Mr. Kenneth Steiner of 14 Stoner Ave., 2M, Great Neck, NY 11021, owner of at least 500 shares of our common stock, has given notice of his designation of John Chevedden as his proxy to introduce the following resolution at the annual meeting. The shareholder proposal and supporting statement appear as received by us. Following the shareholder proposal is our response.

PROPOSAL 4 – SHAREHOLDER RIGHT TO ACT BY WRITTEN CONSENT

Shareholders request that our board of directors take such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.

This proposal topic won 95%-support at a Dover Corporation shareholder meeting and 88%-support at an AT&T shareholder meeting.

This proposal topic also won more than 44% support at our 2019 shareholder meeting. This 44% support may have represented a majority vote from the shares that have access to independent proxy voting advice. And the 44% vote was in spite of an unsupported management statement that certain mythical things could occur with written consent. But there was no example of such mythical things ever occurring at any company in any decade.

And since our 44% vote in 2019 written consent has become more important due to the near extinction of in-person shareholder meetings. This diminishes our current ability of 25% of Textron shares to call a special shareholder meeting because a special shareholder meeting can now be a tightly controlled online meeting.

With the near universal use of tightly controlled online annual shareholder meetings, which can be only 10-minutes of boilerplate, shareholders are severely restricted in engaging with management and making their views known because all challenging questions and comments can be screened out.

For instance Goodyear management hit the mute button right in the middle of a formal shareholder proposal presentation at its 2020 shareholder meeting to bar constructive criticism.

Plus AT&T management would not even allow the proponents of shareholder proposals to read their proposals by telephone at the 2020 AT&T online annual meeting during the pandemic.

Please see:

AT&T investors denied a dial-in as annual meeting goes online

<https://whbl.com/2020/04/17/att-investors-denied-a-dial-in-as-annual-meeting-goes-online/1007928/>

Imagine the control AT&T management could have over an online special shareholder meeting.

Online meetings also give management a blank check to make false statements. For instance management at scores of 2020 online annual meetings falsely stated that there were no more shareholder questions. Shareholders were powerless to point out that their questions were not answered.

Please see:

Schwartz-Ziv, Miriam, *How Shifting from In-Person to Virtual Shareholder Meetings Affects Shareholders' Voice* (August 16, 2020).

Available at SSRN: <http://ssrn.com/abstract=3674998> or <http://dx.doi.org/10.2139/ssrn.3674998>

Now more than ever shareholders need to have the option to take action outside of a shareholder meeting since tightly controlled online shareholder meetings are a shareholder engagement wasteland.

Please vote yes:

SHAREHOLDER RIGHT TO ACT BY WRITTEN CONSENT – PROPOSAL 4

OUR RESPONSE TO THE SHAREHOLDER PROPOSAL

The Board has carefully considered the shareholder proposal and the rejection by Textron's shareholders of a substantially similar proposal submitted by the same proponent at the 2014, 2018 and 2019 Annual Meetings of Shareholders. As in these previous years, the Board believes that the proposal is contrary to the best interests of Textron and its shareholders. Moreover, it is unnecessary in light of the existing ability of Textron's shareholders to call special meetings of shareholders and our shareholders' right to proxy access. For the reasons discussed below, the Board recommends that shareholders vote AGAINST the proposal.

The Board believes that Textron's current governance processes, whereby corporate actions proposed by shareholders are considered and voted on at an annual or special meeting of the shareholders of which all shareholders are notified, provide definitive protections and benefits to our shareholders that are absent in the written consent process called for by this proposal. Textron's Restated Certificate of Incorporation specifically prohibits shareholder action by less than unanimous written consent. This is to ensure that all shareholders are informed of critical matters affecting the Company and of the Board's views before shareholder action is requested and taken, avoiding abusive situations that can arise when shareholders can act by written consent, such as short-term shareholders acting without notice and without opportunity for all shareholders to consider a proposed action.

Textron's By-Laws contain substantial safeguards to protect the interests of shareholders by requiring that shareholders proposing business for a shareholder vote either submit their proposals for consideration at the annual meeting pursuant to the SEC's shareholder proposal process or provide advance notice to the Company of any proposed director nomination or proposed business. If a proposal or nomination is not included in Textron's proxy statement, the advance notice by-law requires shareholders to provide certain information about themselves, any nominee and the proposed business, including a description of the proposed business, the reason for conducting the business at the meeting and disclosure of any material interest of the proponent in such proposed business. Under this process, the Company is able to make certain that all shareholders are made aware of the matters that are to be considered at a meeting of shareholders, and the Board is able to present an analysis of such proposals and its recommendations to the Company's shareholders. Moreover, when proposals or nominations are considered at a meeting of shareholders, shareholders are assured of having appropriate time to consider such matters, engage in dialogue with the Company and other shareholders and to vote for or against the matter.

In contrast, authorizing shareholder action by written consent, as requested by the proposal, would enable a small group of shareholders to accumulate Textron shares for only a short time and use the consent procedure to take action without the procedural safeguards attendant to a shareholders' meeting, including without notice to other shareholders and without affording all shareholders the right to vote on the matter. Without these procedural safeguards, action by written consent may be used to force wholesale amendments to the Company's By-Laws or to effect other significant corporate actions without advance notice to, or participation by, all shareholders. Shareholder action by written consent as contemplated by the proposal would eliminate the benefits of advance notice about the proponent or the proposal and would eliminate the benefit of hearing the views of other shareholders or of the Board. Therefore, allowing action by written consent can result in a majority of shareholders not being informed about the proposed action until after the action has already been taken, thereby disenfranchising those shareholders who do not have the opportunity to be informed or to participate. This could result in the taking of an action that otherwise would not have been taken if all of our shareholders were afforded the opportunity to discuss and vote on the matter. As a result, this proposal could have adverse consequences to our shareholders and the Company.

Shareholder action by written consent as requested by the proposal also has the potential to create substantial confusion among our shareholders. Multiple groups of shareholders would be able to solicit written consents at any time and as often as they choose on matters of special interest to them. There also is the possibility that consent solicitations may conflict with one another or be duplicative, be disruptive to the Company's operations and cause the Company to incur substantial expense.

Moreover, in addition to the protections and safeguards provided by our current governance processes, our by-laws provide our shareholders with additional rights that make adoption of this proposal unnecessary. Those rights include the right to proxy access, implemented by the Board in 2016, which allows eligible shareholders to include their own director nominees in the Company's proxy materials for consideration at our annual meeting. In addition, under our By-Laws, shareholders who hold twenty-five percent of our outstanding shares have the right to call special meetings of shareholders if the need arises for shareholders to consider and vote on matters between annual meetings. Our By-Laws impose notice and other requirements to exercise the right to proxy access, and on the special meeting process to guard against the exertion of inappropriate influence by shareholders with special interests that may be inconsistent with the long-term best interests of Textron and our shareholders in general.

The Board believes our existing by-law provisions allowing shareholders proxy access and the right to call special meetings strike the right balance between the rights of shareholders to have a voice in driving the Company's governance, on the one hand, and protecting against abusive actions that may disrupt the effective management of the Company and be detrimental to shareholder interests, on the other. In contrast, adopting this proposal and giving shareholders the ability to act by written consent would allow any shareholder, regardless of ownership interest, to initiate a potentially unlimited number of consent solicitations on any topic at any time which could enable a single shareholder to advance its own special interests to the detriment of the majority of shareholders. The Board believes that the potential for abuse and disenfranchisement of minority shareholders and other adverse consequences associated with the right to act by less than unanimous written consent outweighs any potential benefits to our shareholders from this proposal.



Accordingly, the Board of Directors recommends a vote AGAINST this proposal (Item 4 on the proxy card).

OTHER MATTERS TO COME BEFORE THE MEETING

The Board of Directors does not know of any matters which will be brought before the meeting other than those specifically set forth in the notice thereof. If any other matter properly comes before the meeting, it is intended that the persons named in and acting under the enclosed form of proxy or their substitutes will vote thereon in accordance with their best judgment.

SHAREHOLDER PROPOSALS AND OTHER MATTERS FOR 2022 ANNUAL MEETING

Shareholder proposals to be considered for inclusion in the proxy statement and form of proxy relating to the 2022 annual meeting of shareholders under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, must be received by Textron, at 40 Westminster Street, Providence, Rhode Island 02903, Attention: Executive Vice President, General Counsel and Secretary, on or before November 5, 2021.

Our shareholders have proxy access, which allows a shareholder or group of up to 20 shareholders owning in the aggregate 3% or more of our outstanding common stock continuously for at least three years to nominate and include in our proxy materials director nominees constituting up to 20% of the number of directors in office or two nominees, whichever is greater, provided the shareholder(s) and nominee(s) satisfy the requirements in Textron's By-Laws. If a shareholder or group of shareholders wishes to nominate one or more director candidates to be included in the Company's proxy statement for the 2021 annual meeting, we must receive proper written notice of the nomination not less than 120 or more than 150 days before the anniversary date that the definitive proxy statement was first released to shareholders in connection with the immediately preceding annual meeting, or between the close of business on October 6, 2021 and the close of business on November 5, 2021 for the 2022 annual meeting, and the nomination must otherwise comply with our By-Laws. If the annual meeting is called for a date that is more than 30 days before or after the anniversary date, then the notice must be received no later than the close of business on the 120th day prior to such meeting and no earlier than the close of business on the 150th day prior to such meeting or 10 days after public disclosure of the meeting is first made, whichever occurs later.

If shareholders instead wish to bring other business before a shareholder meeting, timely notice must be received by Textron in advance of the meeting. Under Textron's By-Laws, such notice must be received not less than 90 nor more than 150 days before the anniversary date of the immediately preceding annual meeting of shareholders or between November 29, 2021 and the close of business on January 28, 2022 for the 2022 annual meeting (but if the annual meeting is called for a date that is more than 30 days before or more than 60 days after the anniversary date, then the notice must be received no later than the close of business on the 90th day before the date of the annual meeting or 10 days after public disclosure of the meeting is first made, whichever occurs later). The notice must include the information required by our By-Laws. These requirements are separate from the requirements a shareholder must meet to have a proposal included in Textron's proxy statement under Rule 14a-8. These time limits also apply to nominations submitted by shareholders under our By-Laws and in determining whether notice is timely for purposes of rules adopted by the Securities and Exchange Commission relating to the exercise of discretionary voting authority by Textron.

DELIVERY OF DOCUMENTS TO SHAREHOLDERS SHARING AN ADDRESS

The broker, bank or other nominee for any shareholder who is a beneficial owner, but not the record holder, of the Company's shares may deliver only one copy of the Company's proxy statement and annual report, or a Notice of Internet Availability (a "Notice"), as applicable, to multiple shareholders who share the same address, unless that broker, bank or other nominee has received contrary instructions from one or more of the shareholders. The Company will deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report or a Notice, as applicable, to a shareholder at a shared address to which a single copy was delivered. A shareholder who wishes to receive a separate copy of the proxy statement and annual report or a Notice, now or in the future, should submit their request to the Company by telephone at (401) 457-2288 or by submitting a written request to the Secretary at Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903. Beneficial owners sharing an address who are receiving multiple copies of these materials and wish to receive a single copy of such materials in the future will need to contact their broker, bank or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

By order of the Board of Directors,



E. Robert Lupone

Executive Vice President, General Counsel and Secretary

March 5, 2021

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE VOTE YOUR PROXY VIA INTERNET OR TELEPHONE OR, IF YOU RECEIVED PRINTED PROXY MATERIALS, FILL IN, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENVELOPE PROVIDED.

TEXTRON

Corporate Information

Corporate Headquarters

Textron Inc.
40 Westminster Street
Providence, RI 02903
(401) 421-2800
www.textron.com

Annual Meeting

Textron's annual meeting of shareholders will be held on Wednesday, April 28, 2021, at 11 a.m. virtually via a live audio webcast at www.virtualshareholdermeeting.com/TXT2021.

Transfer Agent, Registrar and Dividend Paying Agent

For shareholder services such as change of address, lost certificates or dividend checks, change in registered ownership or the Dividend Reinvestment Plan, write or call:

American Stock Transfer & Trust
Company, LLC
Operations Center
6201 15th Avenue
Brooklyn, NY 11219
phone: (866) 621-2790
email: info@amstock.com

Stock Exchange Information

(Symbol: TXT)
Textron common stock is listed on the New York Stock Exchange.

Investor Relations

Textron Inc.
Investor Relations
40 Westminster Street
Providence, RI 02903

Investor Relations phone line:
(401) 457-2288

News media phone line:
(401) 457-2362

For more information, visit our website at www.textron.com.

Company Publications and General Information

To receive a copy of Textron's Forms 10-K and 10-Q, Proxy Statement or Annual Report without charge, visit our website at www.textron.com or send a written request to Textron Investor Relations at the address listed above. For the most recent company news and earnings press releases, visit our website at www.textron.com.

Textron is an Equal Opportunity Employer.

Textron Board of Directors

To contact the Textron Board of Directors or to report concerns or complaints about accounting, internal accounting controls or auditing matters, you may write to Board of Directors, Textron Inc., 40 Westminster Street, Providence, RI 02903; call (866) 698-6655; or send an email to textrondirectors@textron.com.



TEXTRON

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Providence, RI 02903
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www.textron.com

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