GO BEYOND

A message to all Pratt & Whitney global suppliers from Jim Hamakiotis, Vice-President, Supply Chain, Pratt & Whitney Canada

Dear valued suppliers,

Our suppliers are an integral part of Pratt & Whitney's team and our combined success. Together we deliver innovative solutions that meet the high standards of quality and performance that our customers require.

As we continue to harmonize across Raytheon Technologies (RTX), the company would like to measure our suppliers and compare performance across RTX with a common language.

Today, I'd like to share RTX's new on-time delivery calculation for Pratt & Whitney Canada and Pratt & Whitney Poland suppliers.

Effective immediately, the new calculation is:

- The number of schedule lines received on-time (for the time period 1 month (M), 3M, 6M, 12M)
- Divided by the sum of:
    - the number of schedule lines DUE (for the time period 1 month (M), 3M, 6M, 12M)
    - Plus number of schedule lines overdue (ALL)

Please review the examples attached.

If you have any questions, please reach out to your Pratt & Whitney client manager or "reply" to this email message. We appreciate your commitment and support.

Best Regards,

Jim Hamakiotis

EXAMPLE

As of MARCH 1, 2022→ A supplier has 3 schedule lines due in February

Schedule Lines							Calculation			
Order - Line- Schedule line	Part #	Stat Date/ Due Date	Qty Req'd	Posting Date/ Rec'd Date	Qty Rec'd	Status	On-Time	Due	Overdue	Calculation
Due February 2022										OTD for Feb
1	A	Feb-02-2022	10	Feb-02-2022	10	On-Time	1	1	0	1 /(3+1) = 25.0% On-Time/(Due+Overdue)
2	B	Feb-12-2022	10	Feb-14-2022	10	Late	0	1	0	
3	C	Feb-26-2022	10			Overdue	0	1	1	
TOTAL							1	3	1	

AS of APRIL 1st, 2022→ If the next Month the same pattern happens:

FEBRUARY DATA										
Schedule Lines							Calculation			
Order - Line- Schedule line	Part #	Stat Date/ Due Date	Qty Req'd	Posting Date/ Rec'd Date	Qty Rec'd	Status	On-Time	Due	Overdue	Calculation
Due February 2022										OTD for Feb (RECALCULATED)
1	A	Feb-02-2022	10	Feb-02-2022	10	On-Time	1	1	0	1 /(3+1) = 25.0% On-Time/(Due+Overdue)
2	B	Feb-12-2022	10	Feb-14-2022	10	Late	0	1	0	
3	C	Feb-26-2022	10			Overdue	0	1	1	
TOTAL							1	3	1	

MARCH DATA										
Schedule Lines							Calculation			
Order - Line- Schedule line	Part #	Stat Date/ Due Date	Qty Req'd	Posting Date/ Rec'd Date	Qty Rec'd	Status	On-Time	Due	Overdue	Calculation
Due March 2022										OTD for March
4	D	Mar-02-2022	10	Mar-02-2022	10	On-Time	1	1	0	1 /(3+2) = 20.0% On-Time/(Due+Overdue)
5	E	Mar-12-2022	10	Mar-14-2022	10	Late	0	1	0	
6	F	Mar-26-2022	10			Overdue	0	1	1	
		TOTAL					1	3	2*	
For March 3 Month Rolling Average							2	6	2	2 /(6+2) = 25.0% On-Time/(Due+Overdue)

* One overdue from March and one Overdue from February.

AS of APRIL 8th, 2022→ IF one of the Overdue Lines from February come in, February and March Data will be recalculated.
Changes in Purple TEXT

FEBRUARY DATA											
Schedule Lines							Count				
Order - Line- Schedule line	Part #	Stat Date/ Due Date	Qty Req'd	Posting Date/ Rec'd Date	Qty Rec'd	Status	On-Time	Due	Overdue	Calculation	
Due February 2022										OTD for Feb (RECALCULATED as of April 8)	
1	A	Feb-02-2022	10	Feb-02-2022	10	On-Time	1	1	0	1 /(3+**0**) = **33.3%** On-Time/(Due+Overdue)	
2	B	Feb-12-2022	10	Feb-14-2022	10	Late	0	1	0		
3	C	Feb-26-2022	10	**Apr-3-2022**	**10**	Late	0	1	**0**		
TOTAL							1	3	**0**		

MARCH DATA											
Schedule Lines							Count				
Order - Line- Schedule line	Part #	Stat Date/ Due Date	Qty Req'd	Posting Date/ Rec'd Date	Qty Rec'd	Status	On-Time	Due	Overdue	Calculation	
Due March 2022										OTD for March (RECALCULATED as of April 8)	
4	D	Mar-02-2022	10	Mar-02-2022	10	On-Time	1	1	0	1 /(3+**1**) = 2**5**.0% On-Time/(Due+Overdue)	
5	E	Mar-12-2022	10	Mar-14-2022	10	Late	0	1	0		
6	F	Mar-26-2022	10			Overdue	0	1	1		
			TOTAL				1	3	1		
For March 3 Month Rolling Average							2	6	1	2 /(6+**1**) = **28.6**% On-Time/(Due+Overdue)	