

PROPOSED PLAN OF ALLOCATION

1. The Plan of Allocation set forth below is the plan that is being proposed to the Court for approval by Lead Plaintiff after consultation with its damages expert. The Court may approve the Plan of Allocation with or without modification, or approve another plan of allocation, without further notice to the Settlement Class. Any Orders regarding a modification of the Plan of Allocation will be posted on the website for the Settlement, www.TextronSecuritiesLitigation.com. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation.

2. The objective of the Plan of Allocation is to equitably distribute Net Settlement proceeds to those Authorized Claimants who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation generally measures the amount of loss that Authorized Claimants can claim for purposes of making pro rata allocations of the Net Settlement proceeds. To design this Plan, Class Counsel has conferred with their damages expert. However, the Plan of Allocation is not a formal damages analysis. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of the amounts that Authorized Claimants might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The calculations made pursuant to the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making pro rata allocations of the Settlement proceeds.

3. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the investor's loss and inflation paid at the time of purchase must exceed the inflation at time of sale. In this case, Lead Plaintiff alleged that Defendants made false statements and omitted material facts during the period between January 31, 2018 through and including December 6, 2018, which had the effect of artificially inflating the prices of Textron common stock. Lead Plaintiff alleged that artificial inflation was removed from Textron common stock on October 18, 2018 and December 7, 2018 in reaction to information disclosed on October 18, 2018 (prior to market hours) and December 6, 2018 (after market hours).¹

4. In order to have a "Recognized Loss Amount" under the Plan of Allocation with respect to Textron common stock, the security must have been purchased during the Class Period and held through at least one of the alleged disclosures that resulted in a statistically significant change in market price.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

5. A Recognized Loss Amount will be calculated by the Claims Administrator as set forth below for each purchase or other acquisition of Textron common stock from January 31, 2018 through and including December 6, 2018, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that a calculation of a Recognized Loss Amount results in a negative number, that number shall be set to zero.

6. For each share of Textron common stock purchased or otherwise acquired from January 31, 2018 through and including October 17, 2018, and:

A. Sold before October 18, 2018, the Recognized Loss Amount for each such share shall be zero.

B. Sold on or after October 18, 2018 through and including December 6, 2018, the Recognized Loss Amount for each such share shall be the lesser of: (i) \$3.50; or (ii) the actual purchase/acquisition price minus the actual sale price.

C. Sold on or after December 7, 2018 through and including March 6, 2019, the Recognized Loss Amount for each such share shall be the least of: (i) \$3.54; or (ii) the actual purchase/acquisition price of each such share minus the average closing price from December 7, 2018, up to the date of sale as set forth in Table 1 below; or (iii) the actual purchase/acquisition price minus the actual sale price.

D. Held as of the close of trading on March 6, 2019, the Recognized Loss Amount for each such share shall be the lesser of: (i) \$3.54; or (ii) the actual purchase/acquisition price of each such share minus \$50.70.²

¹ Because claims related to the alleged December 6, 2018 corrective disclosure would have faced substantial litigation risk had this case proceeded the artificial inflation related to that alleged corrective event has been discounted by 95% (multiplied by 5%).

² Pursuant to Section 21(D)(e)(1) of the PSLRA, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day look-back period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Textron common stock during the 90-day look-back period, December 7, 2018 through March 6, 2019. The mean (average) closing price for Textron common stock during this 90-day look-back period was \$50.70.

7. For each share of Textron common stock purchased or otherwise acquired from October 18, 2018 through and including December 6, 2018, and:

A. Sold before December 7, 2018, the Recognized Loss Amount for each such share shall be zero.

B. Sold on or after December 7, 2018 through and including March 6, 2019, the Recognized Loss Amount for each such share shall be the least of: (i) \$0.04; or (ii) the actual purchase/acquisition price of each such share minus the average closing price from December 7, 2018, up to the date of sale as set forth in Table 1 below; or (iii) the actual purchase/acquisition price minus the actual sale price.

C. Held as of the close of trading on March 6, 2019, the Recognized Loss Amount for each such share shall be the lesser of: (i) \$0.04; or (ii) the actual purchase/acquisition price of each such share minus \$50.70.³

CALCULATION OF RECOGNIZED GAIN AMOUNTS

8. A Recognized Gain Amount will be calculated by the Claims Administrator as set forth below for each share of Textron common stock held as of the close of trading on January 30, 2018 that is listed in the Claim Form and for which adequate documentation is provided. To the extent that a Claimant has no holdings of Textron common stock as of January 30, 2018, their Recognized Gain Amount shall be set to zero.

9. For each share of Textron common stock held as of the close of trading on January 30, 2018, and:

A. Sold on or after January 31, 2018 through and including October 17, 2018, the Recognized Gain Amount for each such share shall be \$3.54.

B. Sold on or after October 18, 2018 through and including December 6, 2018, the Recognized Gain Amount for each such share shall be \$0.04.

C. Not sold before December 7, 2018, the Recognized Gain Amount for each such share shall be zero.

ADDITIONAL PROVISIONS

10. **FIFO Matching:** If a Claimant has more than one purchase/acquisition or sale of Textron common stock during the Class Period, all purchases/acquisitions and sales shall be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

11. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Recognized Claim” will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to Textron common stock minus the sum of his, her, or its Recognized Gain Amounts as calculated above with respect to Textron common stock. To the extent that a calculation of a Recognized Claim results in a negative number, that number shall be set to zero.

12. **Purchase/Acquisition/Sale Dates and Prices:** Purchases or acquisitions and sales of Textron common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase or acquisition and sale prices shall exclude any fees, taxes, and commissions. The receipt or grant by gift, inheritance or operation of law of Textron common stock during the Class Period shall not be deemed a purchase, acquisition, or sale for the calculation of a Claimant’s Recognized Loss Amount pursuant to the calculations set forth above, and such receipt or grant shall not be deemed an assignment of any claim relating to the purchase/acquisition or sale of such Textron Securities, unless (i) the donor or decedent purchased or otherwise acquired such securities during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Textron Securities.

13. **Short Sales:** With respect to Textron common stock, the date of covering a short sale is deemed to be the date of purchase or acquisition of the stock. The date of a short sale is deemed to be the date of sale of the respective Textron common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on short sales, including purchases covering short sales, during the Class Period is zero. In the event that a Claimant has an opening short position in Textron common stock, the earliest Class Period purchases or acquisitions shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

³ As explained in footnote 2 above, pursuant to the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Textron common stock during the 90-day look-back period, December 7, 2018 through March 6, 2019. The mean (average) closing price for Textron common stock during this 90-day look-back period was \$50.70.

14. **Eligible Securities:** Textron common stock is the only security eligible for recovery under the Plan of Allocation. With respect to Textron common stock purchased or sold through the exercise of an option, the purchase/sale date of the Textron common stock will be the exercise date of the option and the purchase/sale price will be the exercise price of the option.

15. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Recognized Claim” will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to Textron common stock.

16. **Determination of Distribution Amount:** If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its pro rata share of the Net Settlement Fund. The pro rata share will be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

17. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed pro rata to all Authorized Claimants entitled to receive payment.

18. If an Authorized Claimant’s Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

19. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Class Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the Plan without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted to the website for this Settlement, www.TextronSecuritiesLitigation.com.

TABLE 1
Textron Common Stock Closing Price and Average Closing Price
December 7, 2018 – March 6, 2019

Date	Closing Price	Average Closing Price Between December 7, 2018 and Date Shown	Date	Closing Price	Average Closing Price Between December 7, 2018 and Date Shown
12/7/2018	\$51.22	\$51.22	1/23/2019	\$49.17	\$47.78
12/10/2018	\$51.20	\$51.21	1/24/2019	\$51.92	\$47.91
12/11/2018	\$50.30	\$50.91	1/25/2019	\$52.60	\$48.05
12/12/2018	\$51.01	\$50.93	1/28/2019	\$52.80	\$48.19
12/13/2018	\$49.97	\$50.74	1/29/2019	\$52.75	\$48.32
12/14/2018	\$49.47	\$50.53	1/30/2019	\$53.48	\$48.47
12/17/2018	\$48.80	\$50.28	1/31/2019	\$53.23	\$48.60
12/18/2018	\$48.94	\$50.11	2/1/2019	\$53.51	\$48.72
12/19/2018	\$47.20	\$49.79	2/4/2019	\$53.66	\$48.85
12/20/2018	\$45.74	\$49.39	2/5/2019	\$54.38	\$48.99
12/21/2018	\$45.51	\$49.03	2/6/2019	\$54.11	\$49.11
12/24/2018	\$44.16	\$48.63	2/7/2019	\$53.07	\$49.21
12/26/2018	\$45.27	\$48.37	2/8/2019	\$52.58	\$49.29
12/27/2018	\$45.90	\$48.19	2/11/2019	\$52.75	\$49.37
12/28/2018	\$45.65	\$48.02	2/12/2019	\$53.79	\$49.46
12/31/2018	\$45.99	\$47.90	2/13/2019	\$54.55	\$49.57
1/2/2019	\$46.09	\$47.79	2/14/2019	\$54.00	\$49.67
1/3/2019	\$44.92	\$47.63	2/15/2019	\$54.82	\$49.78
1/4/2019	\$46.88	\$47.59	2/19/2019	\$54.60	\$49.87
1/7/2019	\$46.43	\$47.53	2/20/2019	\$54.99	\$49.98
1/8/2019	\$47.55	\$47.53	2/21/2019	\$54.69	\$50.07

Date	Closing Price	Average Closing Price Between December 7, 2018 and Date Shown	Date	Closing Price	Average Closing Price Between December 7, 2018 and Date Shown
1/9/2019	\$47.28	\$47.52	2/22/2019	\$55.06	\$50.17
1/10/2019	\$47.92	\$47.54	2/25/2019	\$55.03	\$50.26
1/11/2019	\$48.01	\$47.56	2/26/2019	\$54.48	\$50.34
1/14/2019	\$48.02	\$47.58	2/27/2019	\$54.72	\$50.41
1/15/2019	\$48.15	\$47.60	2/28/2019	\$54.30	\$50.48
1/16/2019	\$48.03	\$47.62	3/1/2019	\$54.43	\$50.55
1/17/2019	\$48.62	\$47.65	3/4/2019	\$54.12	\$50.62
1/18/2019	\$49.40	\$47.71	3/5/2019	\$53.64	\$50.67
1/22/2019	\$48.45	\$47.74	3/6/2019	\$52.85	\$50.70

ADDITIONAL PROVISIONS

20. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 25 below) is \$10.00 or greater.

21. If a Settlement Class Member has more than one purchase or sale of Textron common stock during the Class Period, all purchases and sales shall be matched on a FIFO basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period.

22. Purchases and sales of Textron common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Textron common stock during the Class Period, shall not be deemed a purchase or sale of these shares of Textron common stock for the calculation of an Authorized Claimant’s Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase of such shares of Textron common stock unless (i) the donor or decedent purchased such shares of Textron common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Textron common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

23. The date of covering a “short sale” is deemed to be the date of purchase of the Textron common stock. The date of a “short sale” is deemed to be the date of sale of the Textron common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in Textron common stock, the earliest purchases during the Class Period shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

24. Textron common stock purchased on the NYSE, on other U.S. exchanges or in a U.S. transaction is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell Textron common stock are not securities eligible to participate in the Settlement. With respect to Textron common stock purchased or sold through the exercise of an option, the purchase/sale date of the Textron common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option. Any Recognized Loss Amount arising from purchases of Textron common stock acquired during the Class Period through the exercise of an option on Textron common stock⁴ shall be computed as provided for other purchases of Textron common stock in the Plan of Allocation.

25. The Net Settlement Fund will be distributed to Authorized Claimants on a pro rata basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

⁴ This includes (1) purchases of Textron common stock as the result of the exercise of a call option, and (2) purchases of Textron common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

26. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Plaintiffs' Counsel and approved by the Court.

27. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, Lead Plaintiff's damages experts, Defendants, Defendants' Counsel, any of the other Plaintiff Releasees or Defendant Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Lead Plaintiff, Defendants and their respective counsel, and all other Defendant Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes or Tax Expenses; or any losses incurred in connection therewith.