

TEXTRON INC

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 25, 2011**

TEXTRON INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

1-5480
(Commission File Number)

05-0315468
(IRS Employer Identification No.)

40 Westminster Street, Providence, Rhode Island 02903
(Address of principal executive offices, including zip code)

(401) 421-2800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement
Item 1.02. Termination of a Material Definitive Agreement

As previously reported, in April 2009, in connection with the issuance by Textron Inc. (“Textron”) of its 4.50% Convertible Senior Notes due 2013 (the “Notes”), Textron entered into transactions with two counterparties, including an underwriter and an affiliate of an underwriter of the Notes, to (i) purchase call options on Textron’s common stock, par value \$0.125 per share (the “Common Stock”), with a strike price equal to the per share conversion price of the Notes (the “Call Options”) and (ii) sell warrants on the Common Stock with a strike price of \$15.75 per share, which may be settled in net shares or cash at Textron’s option (the “Warrants”).

Also as previously reported, on October 13, 2011, Textron repurchased \$224,702,000 principal amount of the Notes pursuant to its previously announced tender offer for the Notes. In order to adjust the Call Options and the Warrants so that the number of shares subject to these instruments corresponds to the remaining principal amount of the Notes outstanding, on October 25, 2011, Textron entered into the following agreements (the “Amendment and Termination Agreements”) with each of the counterparties, Goldman, Sachs & Co. and JPMorgan Chase Bank, National Association:

- a Bond Hedge Amendment and Termination Agreement with respect to the Convertible Bond Hedge Transaction Confirmations, dated April 29, 2009 and April 30, 2009 (collectively, the “Hedge Confirmations”), which relate to the Call Options; and
- a Warrant Amendment and Termination Agreement with respect to the Issuer Warrant Transaction Confirmations, dated April 29, 2009 and April 30, 2009, as reformed (collectively, the “Warrant Confirmations”), which relate to the Warrants.

As so amended and terminated, the number of shares of the Common Stock covered by the Hedge Confirmations is reduced by an aggregate of 17,120,158 shares, which equals the number of shares of the Common Stock into which the \$224,702,000 principal amount of the Notes that were purchased on October 13, 2011 would have been currently convertible. The Warrant Confirmations were also amended or terminated so that, in the aggregate, they cover the number of shares into which the current outstanding principal amount of the Notes is convertible, after giving effect to the cancellation of Notes for which notices of conversion have been received, as well as to change the final “Expiration Dates” specified therein to correspond with the final settlement period applicable to the Hedge Confirmations.

The description above is qualified in its entirety by the Amendment and Termination Agreements, which are included as Exhibits 10.1 to 10.4 to this Current Report.

Item 8.01. Other Events

On October 25, 2011, Textron and each of Goldman, Sachs & Co. and JPMorgan Chase Bank, National Association entered into capped call transactions (the “Capped Call Transactions”). The Capped Call Transactions initially cover an aggregate of 17,120,158 shares of the Common Stock. The Capped Call Transactions have a strike price of \$13.125 per share and a cap price of \$15.75 per share (in each case subject to adjustments upon certain events with respect to Textron or the Common Stock). The Capped Call Transactions will expire in approximately 18 months. Subject to certain limitations, Textron may elect settlement of the Capped Call Transactions to occur in shares of the Common Stock or cash or in a combination of cash and shares of the Common Stock.

Item 9.01. Financial Statements And Exhibits

- (d) Exhibits:

- 10.1 Bond Hedge Amendment and Termination Agreement, dated October 25, 2011, with respect to each of the Convertible Bond Hedge Transaction Confirmations, dated April 29, 2009 and April 30, 2009, between Textron and Goldman, Sachs & Co.
- 10.2 Warrant Amendment and Termination Agreement, dated October 25, 2011, with respect to each of the Issuer Warrant Transaction Confirmations, dated April 29, 2009 and April 30, 2009, as reformed, between Textron and Goldman, Sachs & Co.
- 10.3 Bond Hedge Amendment and Termination Agreement, dated October 25, 2011, to each of the Convertible Bond Hedge Transaction Confirmations, dated April 29, 2009 and April 30, 2009, between Textron and JPMorgan Chase Bank, National Association
- 10.4 Warrant Amendment and Termination Agreement, dated October 25, 2011, to each of the Issuer Warrant Transaction Confirmations, dated April 29, 2009 and April 30, 2009, as reformed, between Textron and JPMorgan Chase Bank, National Association

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TEXTRON INC.
(Registrant)

/s/ Mary F. Lovejoy
Name: Mary F. Lovejoy
Title: Vice President and Treasurer

Date: October 25, 2011

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Bond Hedge Amendment and Termination Agreement, dated October 25, 2011, to each of the Convertible Bond Hedge Transaction Confirmations, dated April 29, 2009 and April 30, 2009, between Textron and Goldman, Sachs & Co.
10.2	Warrant Amendment and Termination Agreement, dated October 25, 2011, to each of the Issuer Warrant Transaction Confirmations, dated April 29, 2009 and April 30, 2009, as reformed, between Textron and Goldman, Sachs & Co.
10.3	Bond Hedge Amendment and Termination Agreement, dated October 25, 2011, to each of the Convertible Bond Hedge Transaction Confirmations, dated April 29, 2009 and April 30, 2009, between Textron and JPMorgan Chase Bank, National Association
10.4	Warrant Amendment and Termination Agreement, dated October 25, 2011, to each of the Issuer Warrant Transaction Confirmations, dated April 29, 2009 and April 30, 2009, as reformed, between Textron and JPMorgan Chase Bank, National Association

Goldman, Sachs & Co.
200 West Street
New York, NY 10282

October 25, 2011

To: Textron Inc.
40 Westminster Street
Providence, RI 02903
Attention: Chief Financial Officer
Telephone No.: (401) 421-2800
Facsimile No.: (401) 457-3533

Bond Hedge Amendment and Termination Agreement

This letter agreement (this “**Bond Hedge Amendment and Termination Agreement**”), subject to certain conditions set forth herein, (i) amends the terms and conditions of the transaction (the “**Base Bond Hedge Transaction**”) entered into between Goldman, Sachs & Co. (“**Bank**”) and Textron Inc. (“**Counterparty**”), pursuant to a letter agreement dated April 29, 2009, entitled Convertible Bond Hedge Transaction (as amended, reformed or modified prior to the date hereof, the “**Base Bond Hedge Confirmation**”) and (ii) terminates the transaction (the “**Additional Bond Hedge Transaction**” and together with the Base Bond Hedge Transaction, the “**Bond Hedge Transactions**”) entered into between Goldman, Sachs & Co. (“**Bank**”) and Textron Inc. (“**Counterparty**”), pursuant to a letter agreement dated April 30, 2009, entitled Additional Convertible Bond Hedge Transaction (as amended, reformed or modified prior to the date hereof, the “**Additional Bond Hedge Confirmation**” and together with the Base Bond Hedge Confirmation as amended hereby, the “**Confirmations**”). Any capitalized term used herein with respect to any Bond Hedge Transaction but not otherwise defined shall have the meaning assigned to it in the Confirmation for such Bond Hedge Transaction.

1. *Amendment of Base Bond Hedge Transaction.* Effective on the date hereof:
 - (A) Notwithstanding anything to the contrary in the Base Bond Hedge Confirmation, the parties agree that, for the avoidance of doubt, any Convertible Notes (or any portion thereof) purchased by Counterparty pursuant to the tender offer that expired on October 12, 2011 shall be disregarded for all purposes under the Base Bond Hedge Transaction (including calculation of any amount in respect of any termination of the Base Bond Hedge Transaction under the Agreement, the Equity Definitions or otherwise); and
 - (B) The definition of “Number of Options” in Section 2 of the Base Bond Hedge Confirmation is hereby amended by amending and restating the first sentence thereof in its entirety to read as follows: “375,298 Options.”. For the avoidance of doubt, the parties acknowledge and agree that 8,179 Options have been exercised prior to the date hereof (including 8,172 Options that have been exercised but not settled prior to the date hereof) and, as a result, the number of Options remaining unexercised under the Base Bond Hedge Confirmation as of the date hereof is 367,119.
 2. *Termination of Additional Bond Hedge Transaction.* Effective on the date hereof, the Additional Bond Hedge Transaction shall automatically terminate and all of the respective rights and obligations of the parties with respect to such Additional Bond Hedge Transaction shall be cancelled and terminated, and each party shall be released and discharged by the other party and agrees not to make any claim against the other party with respect to any obligations of the other party pursuant to such Additional Bond Hedge Transaction.
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3. *Amendment and Termination Payments* . In consideration of the amendments to the Base Bond Hedge Transaction pursuant to Section 1 above, Bank agrees to pay to Counterparty on the Payment Date an amount in USD equal to the Base Bond Hedge Amendment Amount (as defined in Schedule A hereto). In consideration of the termination of the Additional Bond Hedge Transaction pursuant to Section 2 above, Bank agrees to pay to Counterparty on the Payment Date (as defined below) an amount in USD equal to the Additional Bond Hedge Termination Amount (as defined in Schedule A hereto). For the avoidance of doubt, no additional amount shall be payable by either party pursuant to the Equity Definitions, the Confirmations, the Agreement (as defined in the Base Bond Hedge Confirmation) or the Agreement (as defined in the Additional Bond Hedge Confirmation) in respect of the amendments to the Base Bond Hedge Transaction pursuant to Section 1 above or the termination of the Additional Bond Hedge Transaction pursuant to Section 2 above.

“ **Payment Date** ” means the third Currency Business Day (as defined in the 1996 ISDA Equity Derivatives Definitions) following the date hereof.

4. *Representations and Warranties*.

- (i) Counterparty represents and warrants to Bank that:
- (a) Counterparty has all necessary corporate power and authority to execute and deliver this Bond Hedge Amendment and Termination Agreement and to perform its obligations hereunder and under the Base Bond Hedge Transaction as amended hereby; such execution, delivery and performance have been duly authorized by all necessary corporate action on Counterparty’s part; and this Bond Hedge Amendment and Termination Agreement has been duly and validly executed and delivered by Counterparty and this Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Confirmation as amended hereby each constitutes its valid and binding obligation, enforceable against Counterparty in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (whether considered in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.
 - (b) Neither the execution and delivery of this Bond Hedge Amendment and Termination Agreement nor the incurrence or performance of obligations of Counterparty hereunder and under the Base Bond Hedge Confirmation as amended hereby will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of Counterparty, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which Counterparty or (to the extent such agreement is material to Counterparty and its subsidiaries taken as a whole) any of its subsidiaries is a party or by which Counterparty or (to such extent) any of its subsidiaries is bound or to which Counterparty or (to such extent) any of its subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument.
 - (c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution and delivery of this Bond Hedge Amendment and Termination Agreement or performance by Counterparty of this Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Confirmation as amended hereby, except such as have been obtained or made and such as may be required under the Securities Act of 1933, as amended (the “ **Securities Act** ”), the Securities Exchange Act of 1934, as amended, or state securities laws.

- (d) It is an “eligible contract participant” (as such term is defined in Section 1(a)(12) of the Commodity Exchange Act, as amended).
 - (e) It is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, or an “accredited investor” as defined under the Securities Act.
 - (f) Each of it and its affiliates is not, on the date hereof, in possession of any material non-public information with respect to Counterparty.
 - (g) There is no internal policy, whether written or oral, of Counterparty that would prohibit Counterparty from entering into any aspect of this Bond Hedge Amendment and Termination Agreement or from remaining party to the Base Bond Hedge Confirmation as amended hereby.
- (ii) Each of Bank and Counterparty represents that (a) it is entering into this Bond Hedge Amendment and Termination Agreement, and is party to the Base Bond Hedge Confirmation as amended hereby, as principal (and not as agent or in any other capacity); (b) neither the other party nor any of its agents are acting as a fiduciary for it; (c) it is not relying, in entering into this Bond Hedge Amendment and Termination Agreement or in remaining party to the Base Bond Hedge Transaction as amended hereby, upon any representations except those expressly set forth in this Bond Hedge Amendment and Termination Agreement, the Agreement (as defined in the Base Bond Hedge Confirmation), the Agreement (as defined in the Additional Bond Hedge Confirmation) or the Confirmations; (d) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed (whether written or oral) by the other party or any of its agents; and (e) it is entering into this Bond Hedge Amendment and Termination Agreement, and is party to the Base Bond Hedge Confirmation as amended hereby, with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.
 - (iii) Counterparty further represents that (a) it has consulted with and received advice from its own tax advisors regarding the tax aspects of the Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Transaction as amended hereby and (b) it has made its own independent decision (I) to enter into the Bond Hedge Amendment and Termination Agreement and remain party to the Base Bond Hedge Transaction as amended hereby and (II) as to whether each of the Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Transaction as amended hereby is appropriate or proper for it, based upon its own judgment and upon advice from such advisors as it has deemed necessary. No communication (written or oral) received from Bank shall be deemed to be an assurance or guarantee as to the expected results of the Bond Hedge Amendment and Termination Agreement or the Base Bond Hedge Transaction as amended hereby.
 - (iv) Counterparty represents and warrants to Bank that Counterparty is not terminating the Additional Bond Hedge Transaction or amending the Base Bond Hedge Transaction pursuant to this Bond Hedge Amendment and Termination Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).
 - (v) Counterparty represents, warrants and covenants to Bank that Counterparty will not seek to control or influence Bank’s decision to make any purchases or sales of Shares with respect to any amendment or termination of any Bond Hedge Transaction under this Bond Hedge Amendment and Termination Agreement, including, without limitation, Bank’s decision to enter into or unwind any hedging transactions.

5. *Opinion* . Counterparty shall have delivered to Bank on the date hereof an opinion of counsel (including an in-house lawyer of Counterparty), dated as of such date, with respect to the matters set forth in Sections 4(i)(a) through (c) of this Bond Hedge Amendment and Termination Agreement.
6. [*Reserved.*]
7. *Waiver of Jury Trial* . Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Bond Hedge Amendment and Termination Agreement. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Bond Hedge Amendment and Termination Agreement, as applicable, by, among other things, the mutual waivers and certifications provided herein.
8. *Tax Disclosure* . Effective from the date of commencement of discussions concerning this Bond Hedge Amendment and Termination Agreement, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this Bond Hedge Amendment and Termination Agreement, the Base Bond Hedge Transaction as amended hereby and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.
9. *No Additional Amendments or Waivers*. Except as expressly amended hereby, all the terms of the Base Bond Hedge Transaction and provisions in the Base Bond Hedge Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.
10. *Counterparts* . This Bond Hedge Amendment and Termination Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.
11. *Governing Law* . The provisions of this Bond Hedge Amendment and Termination Agreement shall be governed by the New York law (without reference to choice of law doctrine to the extent inconsistent with choice of New York law) .

Counterparty hereby agrees (a) to check this Bond Hedge Amendment and Termination Agreement carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Bank) correctly sets forth the terms of the agreement between Bank and Counterparty with respect to the matters set forth herein, by manually signing this Bond Hedge Amendment and Termination Agreement or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Equity Derivatives Documentation Department, Facsimile No. (212) 428-1980/83.

Very truly yours,

GOLDMAN, SACHS & CO.

By: /s/ Daniel Kopper
Authorized Signatory
Name: Daniel Kopper

Agreed and Accepted By:

TEXTRON INC.

By: /s/ Mary F. Lovejoy
Name: Mary F. Lovejoy
Title: Vice President and Treasurer

Amendment and Termination Payments

Base Bond Hedge Amendment Amount:	USD	60,882,663
Additional Bond Hedge Termination Amount:	USD	6,764,740

Goldman, Sachs & Co.
200 West Street
New York, NY 10282

October 25, 2011

To: Textron Inc.
40 Westminster Street
Providence, RI 02903
Attention: Chief Financial Officer
Telephone No.: (401) 421-2800
Facsimile No.: (401) 457-3533

Warrant Amendment and Termination Agreement

This letter agreement (this “**Warrant Amendment and Termination Agreement**”), subject to certain conditions set forth herein, (i) amends the terms and conditions of the transaction (the “**Base Warrant Transaction**”) entered into between Goldman, Sachs & Co. (“**Bank**”) and Textron Inc. (“**Company**”), pursuant to a letter agreement dated April 29, 2009, entitled Issuer Warrant Transaction (as amended, reformed or modified prior to the date hereof, the “**Base Warrant Confirmation**”) and (ii) terminates the transaction (the “**Additional Warrant Transaction**”) and together with the Base Warrant Transaction, the “**Warrant Transactions**”) entered into between Goldman, Sachs & Co. (“**Bank**”) and Textron Inc. (“**Company**”), pursuant to a letter agreement dated April 30, 2009, entitled Additional Issuer Warrant Transaction (as amended, reformed or modified prior to the date hereof, the “**Additional Warrant Confirmation**”) and together with the Base Warrant Confirmation as amended hereby, the “**Confirmations**”). Any capitalized term used herein with respect to any Warrant Transaction but not otherwise defined shall have the meaning assigned to it in the Confirmation for such Warrant Transaction.

1. *Amendment of the Base Warrant Transaction.* Effective on the date hereof, the Base Warrant Confirmation is hereby amended as follows:
 - (A) the definition of “Number of Warrants” in Section 2 of the Base Warrant Confirmation is amended by replacing “20,571,435” with “13,985,490”;
 - (B) the definition of “First Expiration Date” in Section 2 of the Base Warrant Confirmation is amended by replacing “August 1, 2013” with “February 22, 2013”; and
 - (C) Schedule A to the Base Warrant Confirmation, setting forth the Daily Number of Warrants for each Expiration Date, is replaced in its entirety by Schedule A attached hereto.
 2. *Termination of Additional Warrant Transaction.* Effective on the date hereof, the Additional Warrant Transaction shall automatically terminate and all of the respective rights and obligations of the parties with respect to such Additional Warrant Transaction shall be cancelled and terminated, and each party shall be released and discharged by the other party and agrees not to make any claim against the other party with respect to any obligations of the other party pursuant to such Additional Warrant Transaction.
 3. *Amendment and Termination Payments.* In consideration of the amendment of the Base Warrant Transaction pursuant to Section 1 above, Company agrees to pay to Bank on the Payment Date (as defined below) an amount in USD equal to the Base Warrant Amendment Amount (as defined in Schedule B hereto). In consideration of the termination of the Additional Warrant Transaction pursuant to Section 2 above, Company agrees to pay to Bank on the Payment Date an amount in USD equal to the Additional Warrant Termination Amount (as defined in Schedule B hereto). For the avoidance of doubt, no additional amount shall be payable by either party pursuant to the Equity Definitions, the Confirmations, the Agreement (as defined in the Base Warrant Confirmation) or the
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Agreement (as defined in the Additional Warrant Confirmation) in respect of the amendment of the Base Warrant Transaction pursuant to Section 1 above or the termination of the Additional Warrant Transaction pursuant to Section 2 above.

“ **Payment Date** ” means the third Currency Business Day (as defined in the 1996 ISDA Equity Derivatives Definitions) following the date hereof.

4. *Representations and Warranties.*

- (i) Company represents and warrants to Bank that:
 - (a) Company has all necessary corporate power and authority to execute and deliver this Warrant Amendment and Termination Agreement and to perform its obligations hereunder and under the Base Warrant Transaction as amended hereby; such execution, delivery and performance have been duly authorized by all necessary corporate action on Company’s part; and this Warrant Amendment and Termination Agreement has been duly and validly executed and delivered by Company and this Warrant Amendment and Termination Agreement and the Base Warrant Confirmation as amended hereby each constitutes its valid and binding obligation, enforceable against Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (whether considered in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.
 - (b) Neither the execution and delivery of this Warrant Amendment and Termination Agreement nor the incurrence or performance of obligations of Company hereunder and under the Base Warrant Confirmation as amended hereby will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of Company, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which Company or (to the extent such agreement is material to Company and its subsidiaries taken as a whole) any of its subsidiaries is a party or by which Company or (to such extent) any of its subsidiaries is bound or to which Company or (to such extent) any of its subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument.
 - (c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution and delivery of this Warrant Amendment and Termination Agreement or performance by Company of this Warrant Amendment and Termination Agreement and the Base Warrant Confirmation as amended hereby, except such as have been obtained or made and such as may be required under the Securities Act of 1933, as amended (the “ **Securities Act** ”), the Securities Exchange Act of 1934, as amended, or state securities laws.
 - (d) It is an “eligible contract participant” (as such term is defined in Section 1(a)(12) of the Commodity Exchange Act, as amended).
 - (e) It is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, or an “accredited investor” as defined under the Securities Act.
 - (f) Each of it and its affiliates is not, on the date hereof, in possession of any material non-public information with respect to Company.

- (g) There is no internal policy, whether written or oral, of Company that would prohibit Company from entering into any aspect of this Warrant Amendment and Termination Agreement or from remaining party to the Base Warrant Confirmation as amended hereby.
 - (ii) Each of Bank and Company represents that (a) it is entering into this Warrant Amendment and Termination Agreement, and is party to the Base Warrant Confirmation as amended hereby, as principal (and not as agent or in any other capacity); (b) neither the other party nor any of its agents are acting as a fiduciary for it; (c) it is not relying, in entering into this Warrant Amendment and Termination Agreement, or in remaining party to the Base Warrant Transaction as amended hereby, upon any representations except those expressly set forth in this Warrant Amendment and Termination Agreement, the Agreement (as defined in the Base Warrant Confirmation), the Agreement (as defined in the Additional Warrant Confirmation) or the Confirmations; (d) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed (whether written or oral) by the other party or any of its agents; and (e) it is entering into this Warrant Amendment and Termination Agreement, and is party to the Base Warrant Confirmation as amended hereby, with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.
 - (iii) Company further represents that (a) it has consulted with and received advice from its own tax advisors regarding the tax aspects of the Warrant Amendment and Termination Agreement and the Base Warrant Transaction as amended hereby and (b) it has made its own independent decision (I) to enter into the Warrant Amendment and Termination Agreement and remain party to the Base Warrant Transaction as amended hereby and (II) as to whether each of the Warrant Amendment and Termination Agreement and the Base Warrant Transaction as amended hereby is appropriate or proper for it, based upon its own judgment and upon advice from such advisors as it has deemed necessary. No communication (written or oral) received from Bank shall be deemed to be an assurance or guarantee as to the expected results of the Warrant Amendment and Termination Agreement or the Base Warrant Transaction as amended hereby.
 - (iv) Company represents and warrants to Bank that Company is not terminating the Additional Warrant Transaction or amending the Base Warrant Transaction pursuant to this Warrant Amendment and Termination Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).
 - (v) Company represents, warrants and covenants to Bank that Company will not seek to control or influence Bank's decision to make any purchases or sales of Shares with respect to any amendment or termination of any Warrant Transaction under this Warrant Amendment and Termination Agreement, including, without limitation, Bank's decision to enter into or unwind any hedging transactions.
5. *Opinion.* Company shall have delivered to Bank on the date hereof an opinion of counsel (including an in-house lawyer of Company), dated as of such date, with respect to the matters set forth in Sections 4(i)(a) through (c) of this Warrant Amendment and Termination Agreement.
6. [*Reserved.*]
7. *Waiver of Jury Trial.* Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Warrant Amendment and Termination Agreement. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Warrant Amendment and Termination

Agreement, as applicable, by, among other things, the mutual waivers and certifications provided herein.

8. *Tax Disclosure* . Effective from the date of commencement of discussions concerning this Warrant Amendment and Termination Agreement, Company and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this Warrant Amendment and Termination Agreement, the Base Warrant Transaction as amended hereby and all materials of any kind (including opinions or other tax analyses) that are provided to Company relating to such tax treatment and tax structure.
9. *No Additional Amendments or Waivers* . Except as expressly amended hereby, all the terms of the Base Warrant Transaction and provisions in the Base Warrant Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.
10. *Counterparts* . This Warrant Amendment and Termination Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.
11. *Governing Law* . The provisions of this Warrant Amendment and Termination Agreement shall be governed by the New York law (without reference to choice of law doctrine to the extent inconsistent with choice of New York law) .

Company hereby agrees (a) to check this Warrant Amendment and Termination Agreement carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Bank) correctly sets forth the terms of the agreement between Bank and Company with respect to the matters set forth herein, by manually signing this Warrant Amendment and Termination Agreement or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Equity Derivatives Documentation Department, Facsimile No. (212) 428-1980/83.

Very truly yours,

GOLDMAN, SACHS & CO.

By: /s/ Daniel Kopper
Authorized Signatory
Name: Daniel Kopper

Agreed and Accepted By:

TEXTRON INC.

By: /s/ Mary F. Lovejoy
Name: Mary F. Lovejoy
Title: Vice President and Treasurer

For each Expiration Date, the Daily Number of Warrants is set forth below.

Expiration Date	Daily Number of Warrants
February 22, 2013	310,788
February 25, 2013	310,788
February 26, 2013	310,788
February 27, 2013	310,788
February 28, 2013	310,788
March 1, 2013	310,788
March 4, 2013	310,788
March 5, 2013	310,788
March 6, 2013	310,788
March 7, 2013	310,788
March 8, 2013	310,788
March 11, 2013	310,788
March 12, 2013	310,788
March 13, 2013	310,788
March 14, 2013	310,788
March 15, 2013	310,789
March 18, 2013	310,789
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April 22, 2013	310,789
April 23, 2013	310,789
April 24, 2013	310,789
April 25, 2013	310,789
April 26, 2013	310,789

Amendment and Termination Payments

Base Warrant Amendment Amount:	USD	60,843,057
Additional Warrant Termination Amount:	USD	5,636,365

JPMorgan Chase Bank, National Association
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

October 25, 2011

To: Textron Inc.
40 Westminster Street
Providence, RI 02903
Attention: Chief Financial Officer
Telephone No.: (401) 421-2800
Facsimile No.: (401) 457-3533

Bond Hedge Amendment and Termination Agreement

This letter agreement (this “**Bond Hedge Amendment and Termination Agreement**”), subject to certain conditions set forth herein, (i) amends the terms and conditions of the transaction (the “**Base Bond Hedge Transaction**”) entered into between JPMorgan Chase Bank, National Association, London Branch (“**Bank**”), represented by J.P. Morgan Securities LLC (f/k/a J.P. Morgan Securities Inc.), as its agent, and Textron Inc. (“**Counterparty**”), pursuant to a letter agreement dated April 29, 2009, entitled Convertible Bond Hedge Transaction (as amended, reformed or modified prior to the date hereof, the “**Base Bond Hedge Confirmation**”) and (ii) terminates the transaction (the “**Additional Bond Hedge Transaction**”) and together with the Base Bond Hedge Transaction, the “**Bond Hedge Transactions**”) entered into between JPMorgan Chase Bank, National Association, London Branch (“**Bank**”), represented by J.P. Morgan Securities LLC (f/k/a J.P. Morgan Securities Inc.), as its agent, and Textron Inc. (“**Counterparty**”), pursuant to a letter agreement dated April 30, 2009, entitled Additional Convertible Bond Hedge Transaction (as amended, reformed or modified prior to the date hereof, the “**Additional Bond Hedge Confirmation**”) and together with the Base Bond Hedge Confirmation as amended hereby, the “**Confirmations**”). Any capitalized term used herein with respect to any Bond Hedge Transaction but not otherwise defined shall have the meaning assigned to it in the Confirmation for such Bond Hedge Transaction.

1. *Amendment of Base Bond Hedge Transaction.* Effective on the date hereof:
 - (A) Notwithstanding anything to the contrary in the Base Bond Hedge Confirmation, the parties agree that, for the avoidance of doubt, any Convertible Notes (or any portion thereof) purchased by Counterparty pursuant to the tender offer that expired on October 12, 2011 shall be disregarded for all purposes under the Base Bond Hedge Transaction (including calculation of any amount in respect of any termination of the Base Bond Hedge Transaction under the Agreement, the Equity Definitions or otherwise); and
 - (B) The definition of “Number of Options” in Section 2 of the Base Bond Hedge Confirmation is hereby amended by amending and restating the first sentence thereof in its entirety to read as follows: “375,298 Options.” For the avoidance of doubt, the parties acknowledge and agree that 8,179 Options have been exercised prior to the date hereof (including 8,172 Options that have been exercised but not settled prior to the date hereof) and, as a result, the number of Options remaining unexercised under the Base Bond Hedge Confirmation as of the date hereof is 367,119.
 2. *Termination of Additional Bond Hedge Transaction.* Effective on the date hereof, the Additional Bond Hedge Transaction shall automatically terminate and all of the respective rights and obligations of the parties with respect to such Additional Bond Hedge Transaction shall be cancelled and terminated, and each party shall be released and discharged by the other party and agrees not to make
-

any claim against the other party with respect to any obligations of the other party pursuant to such Additional Bond Hedge Transaction.

3. *Amendment and Termination Payments* . In consideration of the amendments to the Base Bond Hedge Transaction pursuant to Section 1 above, Bank agrees to pay to Counterparty on the Payment Date an amount in USD equal to the Base Bond Hedge Amendment Amount (as defined in Schedule A hereto). In consideration of the termination of the Additional Bond Hedge Transaction pursuant to Section 2 above, Bank agrees to pay to Counterparty on the Payment Date (as defined below) an amount in USD equal to the Additional Bond Hedge Termination Amount (as defined in Schedule A hereto). For the avoidance of doubt, no additional amount shall be payable by either party pursuant to the Equity Definitions, the Confirmations, the Agreement (as defined in the Base Bond Hedge Confirmation) or the Agreement (as defined in the Additional Bond Hedge Confirmation) in respect of the amendments to the Base Bond Hedge Transaction pursuant to Section 1 above or the termination of the Additional Bond Hedge Transaction pursuant to Section 2 above.

“ **Payment Date** ” means the third Currency Business Day (as defined in the 1996 ISDA Equity Derivatives Definitions) following the date hereof.

4. *Representations and Warranties*.

- (i) Counterparty represents and warrants to Bank that:
- (a) Counterparty has all necessary corporate power and authority to execute and deliver this Bond Hedge Amendment and Termination Agreement and to perform its obligations hereunder and under the Base Bond Hedge Transaction as amended hereby; such execution, delivery and performance have been duly authorized by all necessary corporate action on Counterparty’s part; and this Bond Hedge Amendment and Termination Agreement has been duly and validly executed and delivered by Counterparty and this Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Confirmation as amended hereby each constitutes its valid and binding obligation, enforceable against Counterparty in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (whether considered in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.
 - (b) Neither the execution and delivery of this Bond Hedge Amendment and Termination Agreement nor the incurrence or performance of obligations of Counterparty hereunder and under the Base Bond Hedge Confirmation as amended hereby will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of Counterparty, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which Counterparty or (to the extent such agreement is material to Counterparty and its subsidiaries taken as a whole) any of its subsidiaries is a party or by which Counterparty or (to such extent) any of its subsidiaries is bound or to which Counterparty or (to such extent) any of its subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument.
 - (c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution and delivery of this Bond Hedge Amendment and Termination Agreement or performance by Counterparty of this Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Confirmation as amended hereby, except such as have been obtained or made and such as may be required under the Securities Act

of 1933, as amended (the “**Securities Act**”), the Securities Exchange Act of 1934, as amended, or state securities laws.

- (d) It is an “eligible contract participant” (as such term is defined in Section 1(a)(12) of the Commodity Exchange Act, as amended).
 - (e) It is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, or an “accredited investor” as defined under the Securities Act.
 - (f) Each of it and its affiliates is not, on the date hereof, in possession of any material non-public information with respect to Counterparty.
 - (g) There is no internal policy, whether written or oral, of Counterparty that would prohibit Counterparty from entering into any aspect of this Bond Hedge Amendment and Termination Agreement or from remaining party to the Base Bond Hedge Confirmation as amended hereby.
- (ii) Each of Bank and Counterparty represents that (a) it is entering into this Bond Hedge Amendment and Termination Agreement, and is party to the Base Bond Hedge Confirmation as amended hereby, as principal (and not as agent or in any other capacity); (b) neither the other party nor any of its agents are acting as a fiduciary for it; (c) it is not relying, in entering into this Bond Hedge Amendment and Termination Agreement or in remaining party to the Base Bond Hedge Transaction as amended hereby, upon any representations except those expressly set forth in this Bond Hedge Amendment and Termination Agreement, the Agreement (as defined in the Base Bond Hedge Confirmation), the Agreement (as defined in the Additional Bond Hedge Confirmation) or the Confirmations; (d) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed (whether written or oral) by the other party or any of its agents; and (e) it is entering into this Bond Hedge Amendment and Termination Agreement, and is party to the Base Bond Hedge Confirmation as amended hereby, with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.
- (iii) Counterparty further represents that (a) it has consulted with and received advice from its own tax advisors regarding the tax aspects of the Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Transaction as amended hereby and (b) it has made its own independent decision (I) to enter into the Bond Hedge Amendment and Termination Agreement and remain party to the Base Bond Hedge Transaction as amended hereby and (II) as to whether each of the Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Transaction as amended hereby is appropriate or proper for it, based upon its own judgment and upon advice from such advisors as it has deemed necessary. No communication (written or oral) received from Bank shall be deemed to be an assurance or guarantee as to the expected results of the Bond Hedge Amendment and Termination Agreement or the Base Bond Hedge Transaction as amended hereby.
- (iv) Counterparty represents and warrants to Bank that Counterparty is not terminating the Additional Bond Hedge Transaction or amending the Base Bond Hedge Transaction pursuant to this Bond Hedge Amendment and Termination Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).
- (v) Counterparty represents, warrants and covenants to Bank that Counterparty will not seek to control or influence Bank’s decision to make any purchases or sales of Shares with respect to any amendment or termination of any Bond Hedge Transaction under this Bond Hedge Amendment and Termination Agreement, including, without limitation, Bank’s decision to enter into or unwind any hedging transactions.

5. *Opinion* . Counterparty shall have delivered to Bank on the date hereof an opinion of counsel (including an in-house lawyer of Counterparty), dated as of such date, with respect to the matters set forth in Sections 4(i)(a) through (c) of this Bond Hedge Amendment and Termination Agreement.
6. *Role of Agent*. Each party agrees and acknowledges that (i) J.P. Morgan Securities LLC (“**JPMS**”), an affiliate of JPMorgan Chase Bank, National Association, has acted solely as agent and not as principal with respect to this Bond Hedge Amendment and Termination Agreement and (ii) JPMS has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Bond Hedge Amendment and Termination Agreement. Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party’s obligations under this Bond Hedge Amendment and Termination Agreement and the Base Bond Hedge Confirmation as amended hereby.
7. *Waiver of Jury Trial* . Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Bond Hedge Amendment and Termination Agreement. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Bond Hedge Amendment and Termination Agreement, as applicable, by, among other things, the mutual waivers and certifications provided herein.
8. *Tax Disclosure* . Effective from the date of commencement of discussions concerning this Bond Hedge Amendment and Termination Agreement, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this Bond Hedge Amendment and Termination Agreement, the Base Bond Hedge Transaction as amended hereby and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.
9. *No Additional Amendments or Waivers*. Except as expressly amended hereby, all the terms of the Base Bond Hedge Transaction and provisions in the Base Bond Hedge Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.
10. *Counterparts* . This Bond Hedge Amendment and Termination Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.
11. *Governing Law* . The provisions of this Bond Hedge Amendment and Termination Agreement shall be governed by the New York law (without reference to choice of law doctrine to the extent inconsistent with choice of New York law) .

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Bond Hedge Amendment and Termination Agreement and returning it to EDG Confirmation Group, J.P. Morgan Securities LLC, 277 Park Avenue, 11th Floor, New York, NY 10172-3401, or by fax to (212) 622 8519.

Very truly yours,

**J.P. MORGAN SECURITIES LLC, as agent for
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION**

By: /s/ Jeff Zajkowski
Authorized Signatory
Name: Jeff Zajkowski

Agreed and Accepted By:

TEXTRON INC.

By: /s/ Mary F. Lovejoy
Name: Mary F. Lovejoy
Title: Vice President and Treasurer

Amendment and Termination Payments

Base Bond Hedge Amendment Amount:	USD	60,882,663
Additional Bond Hedge Termination Amount:	USD	6,764,740

JPMorgan Chase Bank, National Association
P.O. Box 161
60 Victoria Embankment
London EC4Y 0JP
England

October 25, 2011

To: Textron Inc.
40 Westminster Street
Providence, RI 02903
Attention: Chief Financial Officer
Telephone No.: (401) 421-2800
Facsimile No.: (401) 457-3533

Warrant Amendment and Termination Agreement

This letter agreement (this “**Warrant Amendment and Termination Agreement**”), subject to certain conditions set forth herein, (i) amends the terms and conditions of the transaction (the “**Base Warrant Transaction**”) entered into between JPMorgan Chase Bank, National Association, London Branch (“**Bank**”), represented by J.P. Morgan Securities LLC (f/k/a J.P. Morgan Securities Inc.), as its agent, and Textron Inc. (“**Company**”), pursuant to a letter agreement dated April 29, 2009, entitled Issuer Warrant Transaction (as amended, reformed or modified prior to the date hereof, the “**Base Warrant Confirmation**”) and (ii) terminates the transaction (the “**Additional Warrant Transaction**”) and together with the Base Warrant Transaction, the “**Warrant Transactions**”) entered into between JPMorgan Chase Bank, National Association, London Branch (“**Bank**”), represented by J.P. Morgan Securities LLC (f/k/a J.P. Morgan Securities Inc.), as its agent, and Textron Inc. (“**Company**”), pursuant to a letter agreement dated April 30, 2009, entitled Additional Issuer Warrant Transaction (as amended, reformed or modified prior to the date hereof, the “**Additional Warrant Confirmation**”) and together with the Base Warrant Confirmation as amended hereby, the “**Confirmations**”). Any capitalized term used herein with respect to any Warrant Transaction but not otherwise defined shall have the meaning assigned to it in the Confirmation for such Warrant Transaction.

1. *Amendment of the Base Warrant Transaction.* Effective on the date hereof, the Base Warrant Confirmation is hereby amended as follows:
 - (A) the definition of “Number of Warrants” in Section 2 of the Base Warrant Confirmation is amended by replacing “20,571,435” with “13,985,490”;
 - (B) the definition of “First Expiration Date” in Section 2 of the Base Warrant Confirmation is amended by replacing “August 1, 2013” with “February 22, 2013”; and
 - (C) Schedule A to the Base Warrant Confirmation, setting forth the Daily Number of Warrants for each Expiration Date, is replaced in its entirety by Schedule A attached hereto.
 2. *Termination of Additional Warrant Transaction.* Effective on the date hereof, the Additional Warrant Transaction shall automatically terminate and all of the respective rights and obligations of the parties with respect to such Additional Warrant Transaction shall be cancelled and terminated, and each party shall be released and discharged by the other party and agrees not to make any claim against the other party with respect to any obligations of the other party pursuant to such Additional Warrant Transaction.
 3. *Amendment and Termination Payments.* In consideration of the amendment of the Base Warrant Transaction pursuant to Section 1 above, Company agrees to pay to Bank on the Payment Date (as
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defined below) an amount in USD equal to the Base Warrant Amendment Amount (as defined in Schedule B hereto). In consideration of the termination of the Additional Warrant Transaction pursuant to Section 2 above, Company agrees to pay to Bank on the Payment Date an amount in USD equal to the Additional Warrant Termination Amount (as defined in Schedule B hereto). For the avoidance of doubt, no additional amount shall be payable by either party pursuant to the Equity Definitions, the Confirmations, the Agreement (as defined in the Base Warrant Confirmation) or the Agreement (as defined in the Additional Warrant Confirmation) in respect of the amendment of the Base Warrant Transaction pursuant to Section 1 above or the termination of the Additional Warrant Transaction pursuant to Section 2 above.

“ **Payment Date** ” means the third Currency Business Day (as defined in the 1996 ISDA Equity Derivatives Definitions) following the date hereof.

4. *Representations and Warranties.*

- (i) Company represents and warrants to Bank that:
 - (a) Company has all necessary corporate power and authority to execute and deliver this Warrant Amendment and Termination Agreement and to perform its obligations hereunder and under the Base Warrant Transaction as amended hereby; such execution, delivery and performance have been duly authorized by all necessary corporate action on Company’s part; and this Warrant Amendment and Termination Agreement has been duly and validly executed and delivered by Company and this Warrant Amendment and Termination Agreement and the Base Warrant Confirmation as amended hereby each constitutes its valid and binding obligation, enforceable against Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally and to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (whether considered in a proceeding at law or in equity) and except that rights to indemnification and contribution hereunder may be limited by federal or state securities laws or public policy relating thereto.
 - (b) Neither the execution and delivery of this Warrant Amendment and Termination Agreement nor the incurrence or performance of obligations of Company hereunder and under the Base Warrant Confirmation as amended hereby will conflict with or result in a breach of the certificate of incorporation or by-laws (or any equivalent documents) of Company, or any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which Company or (to the extent such agreement is material to Company and its subsidiaries taken as a whole) any of its subsidiaries is a party or by which Company or (to such extent) any of its subsidiaries is bound or to which Company or (to such extent) any of its subsidiaries is subject, or constitute a default under, or result in the creation of any lien under, any such agreement or instrument.
 - (c) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required in connection with the execution and delivery of this Warrant Amendment and Termination Agreement or performance by Company of this Warrant Amendment and Termination Agreement and the Base Warrant Confirmation as amended hereby, except such as have been obtained or made and such as may be required under the Securities Act of 1933, as amended (the “**Securities Act**”), the Securities Exchange Act of 1934, as amended, or state securities laws.
 - (d) It is an “eligible contract participant” (as such term is defined in Section 1(a)(12) of the Commodity Exchange Act, as amended).

- (e) It is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, or an “accredited investor” as defined under the Securities Act.
 - (f) Each of it and its affiliates is not, on the date hereof, in possession of any material non-public information with respect to Company.
 - (g) There is no internal policy, whether written or oral, of Company that would prohibit Company from entering into any aspect of this Warrant Amendment and Termination Agreement or from remaining party to the Base Warrant Confirmation as amended hereby.
- (ii) Each of Bank and Company represents that (a) it is entering into this Warrant Amendment and Termination Agreement, and is party to the Base Warrant Confirmation as amended hereby, as principal (and not as agent or in any other capacity); (b) neither the other party nor any of its agents are acting as a fiduciary for it; (c) it is not relying, in entering into this Warrant Amendment and Termination Agreement, or in remaining party to the Base Warrant Transaction as amended hereby, upon any representations except those expressly set forth in this Warrant Amendment and Termination Agreement, the Agreement (as defined in the Base Warrant Confirmation), the Agreement (as defined in the Additional Warrant Confirmation) or the Confirmations; (d) it has not relied on the other party for any legal, regulatory, tax, business, investment, financial, and accounting advice, and it has made its own investment, hedging, and trading decisions based upon its own judgment and not upon any view expressed (whether written or oral) by the other party or any of its agents; and (e) it is entering into this Warrant Amendment and Termination Agreement, and is party to the Base Warrant Confirmation as amended hereby, with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks.
 - (iii) Company further represents that (a) it has consulted with and received advice from its own tax advisors regarding the tax aspects of the Warrant Amendment and Termination Agreement and the Base Warrant Transaction as amended hereby and (b) it has made its own independent decision (I) to enter into the Warrant Amendment and Termination Agreement and remain party to the Base Warrant Transaction as amended hereby and (II) as to whether each of the Warrant Amendment and Termination Agreement and the Base Warrant Transaction as amended hereby is appropriate or proper for it, based upon its own judgment and upon advice from such advisors as it has deemed necessary. No communication (written or oral) received from Bank shall be deemed to be an assurance or guarantee as to the expected results of the Warrant Amendment and Termination Agreement or the Base Warrant Transaction as amended hereby.
 - (iv) Company represents and warrants to Bank that Company is not terminating the Additional Warrant Transaction or amending the Base Warrant Transaction pursuant to this Warrant Amendment and Termination Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).
 - (v) Company represents, warrants and covenants to Bank that Company will not seek to control or influence Bank’s decision to make any purchases or sales of Shares with respect to any amendment or termination of any Warrant Transaction under this Warrant Amendment and Termination Agreement, including, without limitation, Bank’s decision to enter into or unwind any hedging transactions.
5. *Opinion.* Company shall have delivered to Bank on the date hereof an opinion of counsel (including an in-house lawyer of Company), dated as of such date, with respect to the matters set forth in Sections 4(i)(a) through (c) of this Warrant Amendment and Termination Agreement.
6. *Role of Agent.* Each party agrees and acknowledges that (i) J.P. Morgan Securities LLC (“**JPMS**”), an affiliate of JPMorgan Chase Bank, National Association, has acted solely as agent and not as

principal with respect to this Warrant Amendment and Termination Agreement and (ii) JPMS has no obligation or liability, by way of guaranty, endorsement or otherwise, in any manner in respect of this Warrant Amendment and Termination Agreement. Each party agrees it will look solely to the other party (or any guarantor in respect thereof) for performance of such other party's obligations under this Warrant Amendment and Termination Agreement and the Base Warrant Confirmation as amended hereby.

7. *Waiver of Jury Trial* . Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Warrant Amendment and Termination Agreement. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Warrant Amendment and Termination Agreement, as applicable, by, among other things, the mutual waivers and certifications provided herein.
8. *Tax Disclosure* . Effective from the date of commencement of discussions concerning this Warrant Amendment and Termination Agreement, Company and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this Warrant Amendment and Termination Agreement, the Base Warrant Transaction as amended hereby and all materials of any kind (including opinions or other tax analyses) that are provided to Company relating to such tax treatment and tax structure.
9. *No Additional Amendments or Waivers* . Except as expressly amended hereby, all the terms of the Base Warrant Transaction and provisions in the Base Warrant Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.
10. *Counterparts* . This Warrant Amendment and Termination Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.
11. *Governing Law* . The provisions of this Warrant Amendment and Termination Agreement shall be governed by the New York law (without reference to choice of law doctrine to the extent inconsistent with choice of New York law) .

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Warrant Amendment and Termination Agreement and returning it to EDG Confirmation Group, J.P. Morgan Securities LLC, 277 Park Avenue, 11th Floor, New York, NY 10172-3401, or by fax to (212) 622 8519.

Very truly yours,

**J.P. MORGAN SECURITIES LLC, as agent for
JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION**

By: /s/ Jeff Zajkowski
Authorized Signatory
Name: Jeff Zajkowski

Agreed and Accepted By:

TEXTRON INC.

By: /s/ Mary F. Lovejoy
Name: Mary F. Lovejoy
Title: Vice President and Treasurer

For each Expiration Date, the Daily Number of Warrants is set forth below.

Expiration Date	Daily Number of Warrants
February 22, 2013	310,788
February 25, 2013	310,788
February 26, 2013	310,788
February 27, 2013	310,788
February 28, 2013	310,788
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Amendment and Termination Payments

Base Warrant Amendment Amount:	USD	60,843,057
Additional Warrant Termination Amount:	USD	5,636,365
