

## Americas Credit Derivatives Determinations Committee Statement – July 7, 2020

### Goodrich Corporation Successor Determination

DC Issue Number 2020062401<sup>1</sup>

The Americas DC considered the General Interest Question relating to Goodrich Corporation (DC Issue Number 2020062401) under (a) the 2014 ISDA Credit Derivatives Definitions (the **2014 Definitions**) and (b) the 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement (as supplemented, the **Updated 2003 Definitions**, and together with the 2014 Definitions, the **Definitions**), each as published by the International Swaps and Derivatives Association, Inc., and Resolved on July 7, 2020 that, as a result of an exchange offer involving Raytheon Technologies Corporation (**RTX**), RTX became the sole Successor to Goodrich Corporation under both the 2014 Definitions and the Updated 2003 Definitions.<sup>2</sup>

The Americas DC is providing the following statement in connection with its Successor determination.

#### 1. SUMMARY OF EVENTS

- (a) On May 11, 2020, RTX announced the commencement of offers to exchange validly tendered outstanding notes issued by Goodrich Corporation, and other subsidiaries of RTX, for new notes to be issued by RTX (the **Offer**).<sup>3</sup> On May 26, 2020, the early results of the Offer were announced.<sup>4</sup> The Offer expired on June 8, 2020.<sup>5</sup> On June 10, 2020, RTX filed a Form 8-K confirming that the Offer had been completed and that RTX had issued the new notes pursuant to an amended and restated indenture dated as of May 1, 2001 (the **RTX Notes**).<sup>6</sup>
- (b) The Americas DC identified the notes listed in the table below issued by Goodrich Corporation (the **Goodrich Notes**). RTX's Investor Relations confirmed to the DC Secretary on July 2, 2020 that the Goodrich Notes were subject to the Offer and that no debt of Goodrich Corporation, other than the Goodrich Notes, was outstanding at the time of settlement of the Offer.

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<sup>1</sup> Please note that on July 1, 2020, the Americas DC separately Resolved a Successor Question with respect to Raytheon Company under DC Issue 2020061801 (see [here](#)).

<sup>2</sup> Each capitalized term used but not defined in this Statement shall have the meaning given to it in (a) the Credit Derivatives Determinations Committees Rules (September 28, 2018 version, as amended as of the date hereof) (the **DC Rules**) or (b) the Definitions, as applicable.

<sup>3</sup> See the following news release in connection with the announcement of the Offer (dated May 11, 2020): <https://raytheon.mediaroom.com/2020-05-11-Raytheon-Technologies-commences-private-exchange-offers-and-consent-solicitations-for-outstanding-notes-of-Goodrich-Corporation-Raytheon-Company-and-Rockwell-Collins-Inc>.

<sup>4</sup> See the following news release in connection with the early results of the Offer (dated May 26, 2020): <https://www.prnewswire.com/news-releases/raytheon-technologies-announces-early-tender-results-and-receipt-of-requisite-consents-to-amend-outstanding-notes-and-related-indentures-of-goodrich-corporation-raytheon-company-and-rockwell-collins-inc-301064756.html>.

<sup>5</sup> See the following news release in connection with the announcement of the Offer (dated May 11, 2020): <https://raytheon.mediaroom.com/2020-05-11-Raytheon-Technologies-commences-private-exchange-offers-and-consent-solicitations-for-outstanding-notes-of-Goodrich-Corporation-Raytheon-Company-and-Rockwell-Collins-Inc>.

<sup>6</sup> See the following RTX Form 8-K filed in connection with completion of the Offer (dated June 10, 2020): [https://www.sec.gov/ix?doc=/Archives/edgar/data/101829/000114036120013509/nc10012700x1\\_8k.htm](https://www.sec.gov/ix?doc=/Archives/edgar/data/101829/000114036120013509/nc10012700x1_8k.htm).

Title of Series/ CUSIP	Aggregate Amount (USD mm)	Principal Outstanding	Aggregate Principal Amount Tendered and Accepted (USD mm)
<b>Goodrich Notes<sup>7</sup></b>			
8.650% Notes due 2025 / 38238QAB2	4		1.25
8.610% Notes due 2025/ 38238QAE6	5		3
8.620% Notes due 2025/ 38238QAC0	1		0
8.650% Notes due 2025 / 38238QAA4	5		5
8.610% Notes due 2025 / 38238QAD8	4		2
7.750% Notes due 2025 / 38238QAF3	20		20
7.298% Notes due 2025 / 38238QAG1	20		20
7.280% Notes due 2025 / 38238QAH9	20		16.52
7.500% Notes due 2026 / 38238QAJ5	20		10
7.100% Notes due 2027 / 38238QAL0	140.63		128.85
6.800% Notes due 2036 / 382388AU0	134.36		127.99
7.000% Notes due 2038 / 382388AL0	159.15		134.02
7.375% Notes due 2046 / 38238QAK2	20		10
<b>Total amount</b>	<b>553.14</b>		<b>478.63</b>

<sup>7</sup> Amounts have been extracted from the news release in connection with the early results of the Offer (dated May 26, 2020) and have been rounded to two (2) decimal points: <https://www.prnewswire.com/news-releases/raytheon-technologies-announces-early-tender-results-and-receipt-of-requisite-consents-to-amend-outstanding-notes-and-related-indentures-of-goodrich-corporation-raytheon-company-and-rockwell-collins-inc-301064756.html>.

## 2. APPROACH UNDER THE DEFINITIONS

Under both the 2014 Definitions and the Updated 2003 Definitions, the determination of a Successor focuses on the proportion of "Relevant Obligations" that an entity "succeeds" to on a given date.

The Goodrich Notes were exchanged via the Offer for the RTX Notes, which were issued on June 10, 2020.<sup>8</sup> Therefore, the Americas DC identified June 10, 2020 as the relevant potential Succession Date for purposes of the 2014 Definitions.<sup>9</sup> The Americas DC also identified June 10, 2020 as the relevant "legally effective date" of the potential Succession Event for purposes of the Updated 2003 Definitions.<sup>10</sup>

## 3. ANALYSIS UNDER THE 2014 DEFINITIONS

- (a) Under the 2014 Definitions, an entity "succeeds" to a Reference Entity and its Relevant Obligations when it "(i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement [...] or (ii) issues Bonds or incurs Loans (the "Exchange Bonds or Loans") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable".<sup>11</sup> "Relevant Obligations" are defined to mean "the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date".<sup>12</sup>
- (b) The Americas DC determined that the Goodrich Notes constituted Relevant Obligations of Goodrich Corporation immediately prior to June 10, 2020, and that the principal amount outstanding of the Goodrich Notes immediately prior to such date was the denominator of the Successor calculations for purposes of Section 2.2(a) of the 2014 Definitions.
- (c) The Americas DC determined that the Goodrich Notes that were tendered and accepted in the Offer, and that were therefore exchanged for RTX Notes, constituted Relevant Obligations that were succeeded to by RTX, and this amount was therefore the numerator of the Successor calculations under Section 2.2(a) of the 2014 Definitions.
- (d) For the reasons set out above, the relevant calculation to determine the percentage of the Relevant Obligations that had been succeeded to by RTX was as follows: USD 478.63mm / USD 553.14mm = 86.53%.<sup>13</sup>
- (e) The Americas DC therefore determined that RTX had succeeded to more than 75% of the Relevant Obligations of Goodrich Corporation and therefore Section 2.2(a)(i) of the 2014 Definitions applied. As a result, RTX was determined to be the sole Successor to Goodrich Corporation.

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<sup>8</sup> See the following news release, which states that RTX will issue the RTX Notes "on the settlement date, which is expected to be on June 10, 2020" (dated May 26, 2020): <https://raytheon.mediaroom.com/2020-05-26-Raytheon-Technologies-announces-early-tender-results-and-receipt-of-requisite-consents-to-amend-outstanding-notes-and-related-indentures-of-Goodrich-Corporation-Raytheon-Company-and-Rockwell-Collins-Inc>; see also the RTX Form 8-K noting that on "June 10, 2020, [RTX] completed the Exchange Offers" (dated June 10, 2020): [https://www.sec.gov/ix?doc=/Archives/edgar/data/101829/000114036120013509/nc10012700x1\\_8k.htm](https://www.sec.gov/ix?doc=/Archives/edgar/data/101829/000114036120013509/nc10012700x1_8k.htm).

<sup>9</sup> See Section 2.2(i) of the 2014 Definitions (describing the "Succession Date" as the "legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity"); see also Section 2.2(d) of the 2014 Definitions (defining succession as occurring when an entity other than the Reference Entity "issues Bonds or incurs Loans [...] that are exchanged for Relevant Obligations [...]") (emphasis added)). The Americas DC has generally treated the settlement date of an exchange as the Succession Date for purposes of the 2014 Definitions.

<sup>10</sup> See Section 2.2(b) of the Updated 2003 Definitions.

<sup>11</sup> Section 2.2(d) of the 2014 Definitions.

<sup>12</sup> Section 2.2(f) of the 2014 Definitions.

<sup>13</sup> This percentage has been rounded to the second decimal point.

#### **4. ANALYSIS UNDER THE UPDATED 2003 DEFINITIONS**

- (a) Under the 2003 Definitions, an entity "succeeds" to a Reference Entity and its Relevant Obligations when it "(i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations)".<sup>14</sup>
- (b) As noted above, the Americas DC determined that the relevant date of analysis for the Succession Event under the Updated 2003 Definitions was June 10, 2020 and that for purposes of the Updated 2003 Definitions, the Relevant Obligations were the same as described in Section 3 above. As a result, the calculation under the Updated 2003 Definitions was the same as under the 2014 Definitions, and RTX was determined to be the sole Successor to Goodrich Corporation under Section 2.2(a)(i) of the Updated 2003 Definitions.

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<sup>14</sup> Section 2.2(c) of the Updated 2003 Definitions.