Registration No. 333-

As filed with the Securities and Exchange Commission on June 5, 1998

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

RAYTHEON COMPANY
(Exact name of issuer as specified in its charter)

DELAWARE	95-1778500
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

141 Spring Street, Lexington, Massachusetts 02173
(Address of Principal Executive Offices) (Zip Code)

Raytheon Savings and Investment Plan
Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees
Raytheon Employee Savings and Investment Plan
Raytheon Savings and Investment Plan for Specified Puerto Rico Employees
E-Systems Employee Savings Plan
Raytheon TI Systems Savings Plan
Raytheon Salaried Savings and Investment Plan
Raytheon California Hourly Savings and Investment Plan
Raytheon Tucson Bargaining Savings and Investment Plan
Raytheon Savings and Investment Plan (10014)
(Full title of the plans)

THOMAS D. HYDE
Senior Vice President and General Counsel
RAYTHEON COMPANY
141 Spring Street
Lexington, Massachusetts 02173
(781) 862-6600
(Name and Address of Agent for Service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share*	Proposed Maximum Aggregate Offering Registration Price*	Amount of Registration Fee
Class B Common Stock, $.01 par value per share	1,000,000 shares	$ 52.50*	$52,500,000	$15,487.50

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* This estimate is made pursuant to Rule 457(h) solely for the purpose of determining the registration fee. It is not known how many shares will be purchased under the plan or at what price such shares will be purchased. The above calculation is based on the average of the high and low prices of the Registrant's Class B Common Stock as reported on the New York Stock Exchange on June 4, 1998.

In addition, pursuant to Rule 416(c) under the Securities Act of 1933, this Registration Statement also covers an indeterminate number of interests to be offered pursuant to the employee benefit plan described herein.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the information specified in Part I of Form S-8 will be sent or given to participating employees as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act"). Such documents are not being filed with or included in this Registration Statement (by incorporation by reference or otherwise) in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). These documents and the documents incorporated by reference into this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The following documents filed with the SEC by Raytheon Company (the "Company" or the "Registrant") and the Plans are hereby incorporated by reference in this Registration Statement:

(1) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997;

(2) The Company's Quarterly Report on Form 10-Q for the period ended March 29, 1998;

(3) The Company's Current Reports on Form 8-K dated January 26, 1998 and March 18, 1998; and

(4) The description of the Company's Class B Common Stock set forth in the Company's Solicitation Statement/Prospectus filed pursuant to Rule 424(b)(3) under the Securities Act dated November 10, 1997 under the captions "New Raytheon Capital Stock" and "Comparison of Rights of Stockholders of Raytheon and New Raytheon" on pages 110-117 and 118-123, respectively.

In addition, all documents subsequently filed by the Registrant and the Plans pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all of such securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of filing of such documents. Any statement contained herein or in a document, all or a portion of which is incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document or portion thereof which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities

Not applicable.

Item 5. Interests of Named Experts or Counsel

Not applicable.

Item 6. Indemnification of Directors and Officers

Section 145 of the General Corporation Law of the State of Delaware sets forth provisions permitting and, in some situations, requiring Delaware corporations, such as the Company, to provide indemnification to their directors and officers for losses and litigation expense incurred in connection with their service to the corporation in those capacities.

Article X of the Registrant's Amended and Restated Certificate of Incorporation provides as follows:

"Section 1. Limited Liability of Directors. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. Neither the amendment nor repeal of Section 1 of this Article X shall eliminate or reduce the effect of Section 1 of this Article X in respect of any matter occurring, or any cause of action, suit or claim that, but for Section 1 of this Article X would accrue or arise, prior to such amendment or repeal.

Section 2. Indemnification and Insurance. (a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director o officer or in any other capacity while serving as a director or officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, to the fullest extent permitted by law, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgment, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974, as in effect from time to time) reasonably incurred

or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of such person's heirs, executors and administrators; provided however, that, except as provided in paragraph (b) of this Section, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or party thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred in this Section shall be a contract right and shall include the right to have the Corporation pay the expenses incurred in defending any such proceeding in advance of its final disposition; any advance payments to be paid by the Corporation within 20 calendar days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time, provided, however, that, if and to the extent the DGCL requires, the payment of such expenses incurred by a director or officer in such person's capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced from time to time by the Board, grant rights to indemnification, and rights to have the Corporation pay the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(b) Right of Claimant to Bring Suit. If a claim under paragraph (a) of this Section is not paid in full by the Corporation within 30 calendar days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of providing such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, independent legal counsel, or its stockholders) that the Claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person (including, without limitation, any person other than a officer or director of the Corporation) may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of Stockholders or disinterested directors or otherwise. No repeal or modification of this Article shall in any way diminish or adversely affect the rights of any director or officer of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(d) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

(e) Severability. If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article X (including, without limitation, each portion of any paragraph of this Article X containing any such provisions held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable."

In addition, the Company maintains insurance for the benefit of its directors and officers, and directors and officers of its subsidiaries, against liabilities and expenses incurred by any of them in certain stated proceedings and under certain stated conditions.

Item 7. Exemption from Registration Claimed

Not applicable.

Item 8. Exhibits

The following exhibits are part of this Registration Statement:

4.1 Raytheon Company Restated Certificate of Incorporation, heretofore filed as an exhibit to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997, is hereby incorporated by reference.

4.2 Raytheon Company Amended and Restated By-Laws, heretofore filed as an exhibit to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997, are hereby incorporated by reference.

4.3 Raytheon Savings and Investment Plan.

4.4 Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees.

4.5 Raytheon Employee Savings and Investment Plan.

4.6 Raytheon Savings and Investment Plan for Specified Puerto Rico Employees.

4.7 E-Systems Employee Savings Plan.

4.8 Raytheon TI Systems Savings Plan.

4.9 Raytheon Salaried Savings and Investment Plan.

4.10 Raytheon California Hourly Savings and Investment Plan.

4.11 Raytheon Tucson Bargaining Savings and Investment Plan.

4.12 Raytheon Savings and Investment Plan (10014).

5.1 Opinion of John W. Kapples, Esq. as to the legality of the securities being registered.

5.2 Internal Revenue Service determination letter in respect of the Raytheon Savings and Investment Plan.

5.3 Internal Revenue Service determination letter in respect of the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees.

5.4 Internal Revenue Service determination letter in respect of the Raytheon Employee Savings and Investment Plan.

5.5 Internal Revenue Service determination letter in respect of the E-Systems Employee Savings Plan.

5.6 An undertaking that the Registrant will submit the Raytheon Salaried Savings and Investment Plan, Raytheon California Hourly Savings and Investment Plan, Raytheon Tucson Bargaining Savings and Investment Plan and Raytheon Savings and Investment Plan (10014).to the Internal Revenue Service in a timely manner and will make all changes required by the Internal Revenue Service in order to qualify such plans.

23.1 Consent of John W. Kapples, Esq. (included in Exhibit 5.1).

23.2 Consent of Coopers & Lybrand L.L.P.

24 Power of Attorney (included on the signature page of the Registration Statement).

Item 9. Undertakings

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement, (or the most recent post-effective amendment thereof) which, individually, or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Lexington, Commonwealth of Massachusetts, on this 29th day of May, 1998.

RAYTHEON COMPANY

/s/ Christoph L. Hoffmann
Christoph L. Hoffmann
Executive Vice President,
Law and Corporate Administration,
and Secretary

POWER OF ATTORNEY

Each person whose signature appears below hereby appoints Peter R. D'Angelo and Christoph L. Hoffmann, and each of them singly, acting alone and without the other, his/her true and lawful attorney-in-fact with the authority to execute in the name of each such person, and to file with the Securities and Exchange Commission, together with any exhibits thereto and other documents therewith, any and all amendments (including without limitation post-effective amendments) to this Registration Statement on Form S-8 necessary or advisable to enable the Registrant to comply with the Securities Act of 1933, as amended, and any rules, regulations, and requirements of the Securities and Exchange Commission in respect thereof, which amendments may make such other changes in the Registration Statement as the aforesaid attorney-in-fact executing the same deems appropriate.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Dennis J. Picard Dennis J. Picard	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer) and Director	May 27, 1998
/s/ Peter R. D'Angelo Peter R. D'Angelo	Vice President and Chief Financial Officer (Principal Financial Officer)	May 27, 1998
/s/ Michele C. Heid Michele C. Heid	Vice President - Corporate Controller and Investor Relations (Principal Accounting Officer)	May 27, 1998

/s/	Ferdinand Colloredo-Mansfeld Ferdinand Colloredo-Mansfeld	Director	May 27, 1998
/s/	Steven D. Dorfman Steven D. Dorfman	Director	May 27, 1998
/s/	Theodore L. Eliot, Jr. Theodore L. Eliot, Jr.	Director	May 27, 1998
/s/	Thomas E. Everhart Thomas E. Everhart	Director	May 27, 1998
/s/	John R. Galvin John R. Galvin	Director	May 27, 1998
/s/	Barbara B. Hauptfuhrer Barbara B. Hauptfuhrer	Director	May 27, 1998
/s/	Richard D. Hill Richard D. Hill	Director	May 27, 1998
	L. Dennis Kozlowski	Director	
/s/	James N. Land, Jr. James N. Land, Jr.	Director	May 27, 1998
/s/	A. Lowell Lawson A. Lowell Lawson	Director	May 27, 1998
	Charles H. Noski	Director	
/s/	Thomas L. Phillips Thomas L. Phillips	Director	May 27, 1998
/s/	Warren B. Rudman Warren B. Rudman	Director	May 27, 1998
/s/	Alfred M. Zeien Alfred M. Zeien	Director	May 27, 1998

Pursuant to the requirements of the Securities Act of 1933, as amended, the trustees (or other persons who administer the employee named benefit plans) have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the Town of Lexington, Commonwealth of Massachusetts, on this 29th day of May, 1998.

Raytheon Savings and Investment Plan
Raytheon Savings and Investment Plan for Specified
Hourly Payroll Employees
Raytheon Employee Savings and Investment Plan
Raytheon Savings and Investment Plan for Specified Puerto
Rico Employees
E-Systems Employee Savings Plan
Raytheon TI Systems Savings Plan
Raytheon Salaried Savings and Investment Plan
Raytheon California Hourly Savings and Investment Plan
Raytheon Tucson Bargaining Savings and Investment Plan
Raytheon Savings and Investment Plan (10014)

By: /s/ Gail P. Anderson
Gail P. Anderson
Authorized Representative

Exhibit Index

Exhibit No.	Description of Documents
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23.1	Consent of John W. Kapples, Esq. (included in Exhibit 5.1).
23.2	Consent of Coopers & Lybrand L.L.P.
24	Power of Attorney (included on the signature page of the Registration Statement).

EXHIBIT 4.3

RAYTHEON SAVINGS AND INVESTMENT PLAN

Provisions in Effect
as of May 5, 1998

COMPANIES PARTICIPATING IN RAYTHEON SAVINGS AND INVESTMENT PLAN

Raytheon Company
Raytheon Air Control Company
Raytheon Engineering and Maintenance Company
Raytheon Europe International Company
Raytheon European Management Company
Raytheon European Management and Systems Company
Raytheon Foreign Trade Company
Raytheon Gulf Systems Company
Raytheon International Support Company, Inc.
(formerly Raytheon Subsidiary Support Company, Inc.)
Raytheon Korean Support Company
Raytheon Logistics Support and Training Company
Raytheon Mediterranean Systems Company
Raytheon Middle East Systems Company
Raytheon Overseas Limited
Raytheon Patriot Support Company
Raytheon Peninsula Systems Company
Raytheon Service Company
Raytheon Southeast Asia Systems Company
Raytheon Systems Company
Raytheon Technical and Administration Services, Ltd.
Raytheon Technical Assistance Company
Raytheon World Services Company
Tube Holding Company, Inc. (formerly The Machlett Laboratories, Incorporated)
TAG Semiconductors Limited - Burlington, Mass., Office Only

Amana Refrigeration, Inc.	effective 1/1/85
Speed Queen Company	effective 2/1/85
Raytheon Aircraft Credit Corporation, Inc.	effective 1/1/86
Raytheon Aircraft Corporation	effective 1/1/86
Raytheon Patriot Support Company	effective 1/1/86
Raytheon Aircraft Holdings, Inc.	effective 1/1/86
Cedarapids, Inc.	effective 1/1/87
Raytheon Aerospace Services, Inc.	effective 1/1/88
Seiscor Inc.	effective 1/1/88
Seismograph Service Corporation	effective 1/1/88
Seismograph Service Corporation (Overseas)	effective 1/1/88
Patriot Overseas Support Company	effective 10/3/88
Data Logic, Inc.	effective 1/1/89
Amber Engineering, Inc.	effective 2/1/93
Raytheon Engineers & Constructors International, Inc.	effective 3/23/93

Raytheon Catalytic, Inc.	effective 3/23/93
Stearns Catalytic Corporation	effective 3/23/93
Raytheon Architects, Ltd.	effective 3/23/93
Raytheon Engineers & Constructors Middle East Inc.	effective 3/23/93
Catalytic Industrial Maintenance Co., Inc.	effective 3/23/93
United Engineers Far East, Ltd.	effective 3/23/93
Jackson & Moreland International, Inc.	effective 3/23/93
R.E.&C. (Canada) Ltd.	effective 3/23/93
United Engineers International, Inc.	effective 3/23/93
United Mid-East, Inc.	effective 3/23/93
Raytheon Engineers & Constructors of Ireland, Ltd.	effective 3/23/93
UE, Inc.	effective 3/23/93
Energy Overseas International, Inc.	effective 3/23/93
Raytheon Nuclear Inc.	effective 3/23/93
Raytheon Engineers & Constructors Midwest, Inc.	effective 3/23/93
Specialty Technical Services, Inc.	effective 3/23/93
Raytheon Infrastructure Inc.	effective 3/23/93
Stearns Catalytic Michigan, Inc.	effective 3/23/93
Badger Catalytic Ltd	effective 3/23/93
Raytheon-Ebasco (Malaysia) Sdn Bhd	effective 5/12/93
Asia Badger, Inc. (Delaware)	effective 5/12/93
Badger B.V. (Netherlands)	effective 5/12/93
Badger Energy, Inc.	effective 5/12/93
Raytheon Engineers and Constructors (Pty) Ltd.	effective 5/12/93
Raytheon Engineers & Constructors Latin America Inc.	effective 5/12/93
Raytheon Engineers & Constructors, Inc.	effective 5/12/93
Raytheon Engineers & Constructors Germany G.m.b.H.	effective 5/12/93
Raytheon Engineers & Constructors Italy S.r.l.	effective 5/12/93
Badger Middle East, Inc.	effective 5/12/93
Badger Trading Company	effective 5/12/93
Canadian Badger Company Limited	effective 5/12/93
Chemical Process Corporation	effective 5/12/93
Gulf Design Corporation, Inc.	effective 5/12/93
McBride-Ratcliff and Associates, Inc.	effective 5/12/93
Raytheon Engineers & Constructors France S.a.r.l.	effective 5/12/93
Raytheon-Ebasco Indonesia Ltd.	effective 5/12/93
Raytheon-Ebasco Overseas Ltd.	effective 5/12/93
Raytheon Corporate Jets, Inc.	effective 8/6/93
Range Systems Engineering Co.	effective 10/1/93
Raytheon Constructors, Inc.	effective 1/1/94
Raytheon International, Inc.	effective 6/1/94
Arkansas Aerospace, Inc.	effective 7/1/94
Harbert-Yeargin, Inc. (non-exempt and exempt salaried payrolls only)	effective 1/1/95
Raytheon Advanced Systems Company	effective 1/1/95

Raytheon Brazil Integrated Systems Company (Brasil Sistemas De Integracao Ltda)	effective 1/1/95
Raytheon Pacific Company	effective 1/1/95
Raytheon Systems International Company	effective 1/1/95
Raytheon Tennessee Company	effective 1/1/95
NEWCS, Inc. (formerly Raytheon Transportation Systems Company)	effective 1/1/95
Standard Havens Inc.	effective 4/1/95
Litwin Engineers & Constructors, Inc.	effective 8/1/95
E-Systems, Inc.	effective 10/1/96
Raytheon Aircraft Parts, Inventory and Distribution Company	effective 1/1/97
Raytheon Demilitarization Company	effective 1/1/97
Raytheon Quality Inspection Company	effective 1/1/97
Raytheon Commercial Laundry, L.L.C.	effective 9/10/97

ARTICLE I - PREAMBLE

The Raytheon Savings and Investment Plan (the "Plan"), which became effective January 1, 1984, provides employees with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Plan as determined by the employee and set aside for short-term and long-term needs of the employee. The Plan is applicable only to eligible employees who meet the requirements for membership on or after January 1, 1984. It is intended that the Plan will comply with all of the requirements for a qualified profit sharing plan under Sections 401(a) and 401(k) of the Internal Revenue Code and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in Article XIV unless the context indicates otherwise. The Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act and Title 29 of the Code of Federal Regulations, ss. 2550.404(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan and the Plan fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a participant or beneficiary.

The Plan as restated herein shall be effective as of January 1, 1994 or such other dates as may be specifically provided herein or as otherwise required by law for the Plan or either of the Merged Plans referred to in Section 13.6 to satisfy the requirements of Section 401(a) of the Code. The rights of former Employees whose Severance from Service Date occurred prior to the date of any amendment shall be governed by the terms of the Plan in effect on their Severance from Service Date except as otherwise provided herein.

ARTICLE II - ELIGIBILITY

2.1 Eligibility Requirements - Present Employees -- Each Eligible Employee whose Employment Commencement Date is on or after November 1, 1983, may join the Plan as of the first Pay Period coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on said Employment Commencement Date. Each Eligible Employee whose Reemployment Commencement Date is on or after November 1, 1984, may join the Plan as of the first Pay Period next following said Reemployment Commencement Date.

2.2 Procedure for Joining the Plan -- Each Eligible Employee who meets the requirements of Section 2.1 may join the Plan by communicating with Fidelity in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Employee has designated: a percentage by which Participants' Eligible Compensation shall be reduced as an Elective Deferral in accordance with the requirements of Section 3.2, subject to the nondiscrimination test described in Section 3.3; election of investment funds as described in Article IV; one or more Beneficiaries; and such other information as specified by Fidelity. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator in its discretion may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.3 Transfer Between Companies to Position Covered by Plan -- A Participant who is transferred from employment with one of the Companies to employment as an Eligible Employee with another one of the Companies may remain a Participant of the Plan with his or her new Company.

2.4 Transfer to Position Not Covered by Plan -- If a Participant is transferred to another position with the Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan with respect to Elective Deferrals previously made but will no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with Fidelity and providing all of the information requested by Fidelity. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by Fidelity of the requested information.

ARTICLE III - CONTRIBUTIONS

3.1 Employer Contributions -- The Companies shall contribute to the Trust established under this Plan from Net Annual Profits or Net Profits an amount equal to the total amount of Elective Deferrals agreed to be made by the Companies pursuant to designation by Participants.

3.2 Elective Deferrals -- Elective Deferrals must be made in one percent (1%) increments with a minimum Elective Deferral of one percent (1%) of Eligible Compensation and a maximum Elective Deferral of seventeen percent (17%); provided, however, that effective for any Plan Year beginning on or after January 1, 1987, in no event may the amount of Elective Deferrals to the Plan, when taken into account with all other elective deferrals (as defined in Code Section 402(g)) made by a Participant under any other plan maintained by the Employer, exceed $7,000 (adjusted for increases in the cost of living under Code Section 402(g)) in any calendar year. If a Participant participates in another plan or arrangement which is not maintained by the Employer and which permits elective deferrals in any calendar year and his total Elective Deferrals under the Plan and other plan(s) exceed $7,000 (as adjusted) in a calendar year, he may request to receive a distribution of the amount of the excess deferral (a deferral in excess of $7,000 (as adjusted)) that is attributable to Elective Deferrals to this Plan together with earnings thereon, notwithstanding any limitations on distributions contained in the Plan. Such distribution shall be made by the April 15 following the Plan Year in which the Elective Deferrals were made, provided that the Participant notifies the Administrator of the

amount of the excess deferral that is attributable to Elective Deferrals to the Plan and requests such a distribution. The Participant's notice must be received by the Administrator no later than the March 1 following the Plan Year of the excess deferral. In the absence of such notice, the amount of such excess deferral attributable to Elective Deferrals to this Plan shall be subject to all limitations on withdrawals and distributions in the Plan. In addition to distributing excess deferrals at the request of the Participant, the Administrator shall distribute any deferrals made under this Plan or any other plan of the Employer in excess of the statutory maximum deferral of $7,000 (as adjusted). For this purpose as provided in 26 CFR ss.1.402(g)-1(e)(2), a Participant is deemed to notify the Administrator of any excess deferrals that arise by taking into account only those Elective Deferrals made to this Plan and any other plans of this Employer and to request that such excess deferrals be distributed by the Plan Administrator. The distribution of excess deferrals will include any earnings or be reduced by any loss allocable to the excess deferrals pursuant to the Plan method of allocating earnings or losses and calculated to the last day of the Plan Year in which the excess deferrals were made.

The Administrator may establish prospectively lower limits for Higher Paid Participants for the purpose of complying with Internal Revenue Code requirements in an orderly manner.

3.3 Limitations on Elective Deferrals --

(a) In no event may Elective Deferrals made on behalf of all Higher Paid Eligible Employees with respect to any Plan Year result in an Actual Deferral Percentage for such group of Higher Paid Eligible Employees which exceeds the greater of (i) or (ii) where:

(i) is an amount equal to 125 percent of the Actual Deferral Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year; and

(ii) is an amount equal to the Actual Deferral Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year and two percent (2%), provided that such amount does not exceed 200 percent of such Actual Deferral Percentage.

(b) The Administrator shall be authorized to implement rules authorizing or requiring reductions in Elective Deferrals that may be made by Higher Paid Eligible Employees during the Plan Year (prior to any contributions to the Trust) so that the limitation of Section 3.3(a) is satisfied.

(c) The Company may in its discretion make Qualified Nonelective Contributions to the Accounts of certain Non-Higher Paid Eligible Employees to the extent required to satisfy the limitations of Section 3.3(a).

(d) If the limitation under Section 3.3(a) is exceeded in any Plan Year, the Excess Amounts made on behalf of Higher Paid Eligible Employees with respect to a Plan Year (and earnings allocable thereto) shall then be distributed to such Employees as soon as practicable after the end of such Plan Year, but no later than the last day of the immediately following Plan Year. The Excess Amounts distributed shall include Elective Deferrals and the income allocable thereto. The amount of income allocable to Excess Amounts shall be determined in accordance with the regulations issued under Section 401(k) of the Code and shall include income for the Plan Year for which the Excess Amounts were made. Any such distributions shall be reduced by the amount of any distributions made pursuant to Section 3.2 above.

(e) The Administrator may utilize any combination of the methods described in Sections 3.3(b), (c) and (d) to assure that the limitations of Section 3.3(a) are satisfied.

(f) For purposes of this Section 3.3, the following definitions and special rules shall apply:

(i) The term "Annual Earnings" means the Employee's wages which are required to be reported on IRS Form W-2 for the calendar year which coincides with the Plan Year.

(ii) The term "Actual Deferral Percentage" shall mean, with respect to any group of actively employed Eligible Employees who have satisfied the eligibility requirements of Article II for a Plan Year, the average of the ratios, calculated separately for each such Eligible Employee in the group, of:

(A) The amount of Elective Deferrals paid to the Trust Fund for such Plan Year, divided by

(B) The Eligible Employee's Annual Earnings, including any Elective Deferrals made by the Companies to the Plan on behalf of the Eligible Employee and any pre-tax elective contributions made by the Companies which are excludible from the Eligible Employee's income under Section 125 of the Code.

Elective Deferrals shall be taken into account for a Plan Year only if such amounts are allocated to the Eligible Employee's Account as of a date within that Plan Year. For this purpose, an Elective Deferral is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date and the Elective Deferral is actually paid to the Trust Fund no later than 12 months after the Plan Year to which the contribution relates.

(iii) The term "Excess Amounts" shall mean with respect to each Higher Paid Eligible Employee who has satisfied the eligibility requirements of Article II for a Plan Year, the amount equal to total Elective Deferrals made on behalf of such Employee (determined prior to the application of the leveling procedure described below) minus the product of the Employee's Actual Deferral Percentage (determined after the leveling procedure described below) multiplied by the amount specified in Section 3.3(f)(ii)(B) above. In accordance with the regulations issued under Section 401(k) of the Code, Excess Amounts shall be determined by a leveling procedure under which the Actual Deferral Percentage of the Higher Paid Eligible Employee with the highest such percentage shall be reduced to the extent required to enable the limitation of Section 3.3(a) to be satisfied or, if it results in a lower reduction, to the extent required to cause such Higher Paid Eligible Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Higher Paid Eligible Employee with the next highest Actual Deferral Percentage. This leveling procedure shall be repeated until the limitation of Section 3.3(a) is satisfied. (iv) The term "Qualified Nonelective Contributions" means contributions that are made pursuant to Sections 3.3(c), 3.8(c) or 3.12 meet the requirements of Section 401(m)(4)(C) of the Code and the regulations issued thereunder, and which are designated as a Qualified Nonelective Contribution for purposes of satisfying the limitations of Sections 3.3(c), 3.8(c) or 3.12. Qualified Nonelective Contributions shall be nonforfeitable when made and are distributable only in accordance with the distribution and withdrawal provisions that are applicable to Elective Deferrals under the Plan; provided, however, that Qualified Nonelective Contributions may not be withdrawn on account of financial hardship. If any Qualified Nonelective Contributions are made, the Company shall keep such records as necessary to reflect the amount of such contributions made for purposes of satisfying the limitations of Sections 3.3(c) or 3.8(c).

(v) In the event the Companies maintain two or more plans that are treated as a single plan for purposes of Sections 401(a)(4) and 410(b) of the Code (other than Section 410(b)(2)(A)(ii) of the Code), all elective deferrals made under the two plans shall be treated as made under a single plan, and if two or more of such plans are permissively aggregated for purposes of Section 401(k) of the Code, such plans shall be treated as a single plan for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code.

(vi) In determining the Actual Deferral Percentage of a Higher Paid Eligible Employee, all cash or deferred arrangements in which such Higher Paid Eligible Employee is eligible to participate shall be treated as a single arrangement.
(vii) The family aggregation rules of Section 414(q)(6) of the Code shall apply to any Higher Paid Eligible Employee who is a five percent owner or one of the ten most highly compensated Higher Paid Eligible Employees. The Actual Deferral Percentage for the family group, which is treated as one Higher Paid Eligible Employee, is the Actual Deferral Percentage determined by combining the contributions and compensation of all eligible Family Members. Except to the extent taken into account in this Paragraph (vii), the contributions and compensation of all Family Members are disregarded in determining the Actual Deferral Percentages for all Employees.

(g) The limitations of this Section 3.3 shall apply to Plan Years beginning on or after January 1, 1987.

3.4 Reinstatement of Reduced Amounts -- Any reduction effected pursuant to Section 3.3 will remain in effect for the remainder of the Plan Year in which the reduction occurs and will not be automatically reinstated. A Participant whose Elective Deferral has been reduced may elect to increase his or her Elective Deferral effective as of any Pay Period subsequent to notice from the Administrator that Elective Deferrals may be increased as of a specified Pay Period. This election must be made in accordance with the procedure described in Section 3.5.

3.5 Change in Elective Deferrals -- Except as provided in Sections 3.3 and 3.4, any Participant may change his or her Elective Deferral percentage to increase or decrease said percentage by notifying Fidelity, such change to take effect as of the next administratively feasible Pay Period.

3.6 Voluntary Reduction of Elective Deferral to Zero -- Notwithstanding the notice requirements specified in Section 3.5, any Participant may elect to reduce the level of the Participant's Elective Deferral to zero as of the beginning of any Pay Period. The reduction will take effect as soon as practicable following telephone notification by the Participant to Fidelity. A Participant who has reduced his or her Elective Deferral to zero may again make Elective Deferrals as of the next administratively feasible Pay Period subsequent to telephone notification to Fidelity.

3.7 Matching Contributions -- For each Plan Year, commencing on or after January 1, 1994, subject to limitations imposed by the Internal Revenue Code, the Companies will match from Net Annual Profits or Net Profits the Elective Deferral of each Participant at the rate of one-half (1/2) of the Participant's Elective Deferral on an annual basis provided that: (i) for any Pay Period the matching amount shall not exceed three percent (3%) of the Participant's Eligible Compensation for that pay period; and (ii) as soon as administratively feasible subsequent to the end of the Plan Year, the differential, if any, by which an amount equal to one-half (1/2) of the Participant's Elective Deferral for the Plan Year exceeds the amount of Matching Contributions actually made to Participant for that year, to an annual maximum of three percent (3%) of the Participant's Eligible Compensation for the Plan Year. will be paid into the Participant's Matching Contribution Account.

3.8 Limitations on Matching Contributions.

(a) In no event may the Matching Contributions made on behalf of all Higher Paid Eligible Employees, or forfeitures allocated to the Accounts of such Employees, who have satisfied the eligibility requirements of Article II with respect to any Plan Year result in an Actual Contribution Percentage for such group of Higher Paid Eligible Employees which exceeds the greater of (i) or (ii) where:

(i) is an amount equal to 125 percent of the Actual Contribution Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year; and

(ii) is an amount equal to the Actual Contribution Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year and two percent (2%), provided that such amount does not exceed 200 percent of such Actual Contribution Percentage.

(b) The Administrator shall be authorized to implement rules authorizing or requiring reductions in Matching Contributions that may be made by Higher Paid Eligible Employees during the Plan Year (prior to any contributions to the Trust Fund), so that the limitation of Section 3.8(a) is satisfied.

(c) The Company may in its discretion make Qualified Nonelective Contributions to the accounts of certain Non-Higher Paid Eligible Employees to the extent required to satisfy the limitations of Section 3.8(a).

(d) If the limitation under Section 3.8(a) is exceeded in any Plan Year, the Excess Amounts made on behalf of Higher Paid Eligible Employees with respect to a Plan Year (and earnings allocable thereto) shall then be distributed to such Higher Paid Eligible Employees as soon as practicable after the end of such Plan Year (or, if forfeitable under the terms of the Plan, forfeited), but no later than the last day of the immediately following Plan Year. The Excess Amounts distributed shall include both the Matching Contributions and the income allocable thereto. The amount of income allocable to Excess Amounts shall be determined in accordance with the regulations issued under Section 401(m) of the Code and shall include income for the Plan Year to which the Excess Amounts relate.

(e) Elective Deferrals and Matching Contributions shall be further limited to the extent required to prevent prohibited multiple use of the alternative limitation described in Sections 401(k)(3)(A)(ii)(II) and 401(m)(2)(A)(ii) of the Code and the provisions of Reg. ss.1.401(m)-2(b) and any further guidance issued thereunder. If such multiple use occurs, the Actual Contribution Percentage for all Higher Paid Eligible Employees (determined after applying the foregoing provisions of this Section 3.8) shall be reduced in accordance with Reg. ss.1.401(m)-2(c) and any further guidance issued thereunder in order to prevent such multiple use of the alternative limitation.

(f) The Administrator may utilize any combination of the methods described in Sections 3.8(b), (c) and (d) to assure that the limitations of Sections 3.8(a) and (e) are satisfied.

(g) For purposes of this Section 3.8, the following definitions and special rules shall apply:

(i) The term "Annual Earnings" shall have the meaning specified in Section 3.3(f)(i).

(ii) The term "Actual Contribution Percentage" shall mean, with respect to any group of actively employed Eligible Employees who have satisfied the eligibility requirements of Article II for a Plan Year, the average of the ratios, calculated separately for each such Eligible Employee in the group, of:

(A) The amount of Matching Contributions paid to the Trust Fund for such Plan Year on behalf of the Eligible Employee plus the amount of forfeitures allocated to the Eligible Employee's Account, divided by

(B) The Eligible Employee's Annual Earnings, including any Elective Deferrals made by the Companies to the Plan on behalf of the Eligible Employee or any pre-tax election contributions under a "cafeteria plan" (as defined in Section 125 of the Code and applicable regulations) maintained by the Companies for such Plan Year.

Matching Contributions and forfeitures shall be taken into account for a Plan Year only if such amounts are allocated to the Eligible Employee's Account as of a date within that Plan Year, such amounts are actually paid to the Trust no later than 12 months after the Plan Year to which the contribution relates and such amounts are contributed on account of Elective Deferrals for such Plan Year.

(iii) The term "Excess Amounts" shall mean with respect to each Higher Paid Eligible Employee, the amount equal to the total Matching Contributions made on behalf of the Eligible Employee together with the forfeitures allocated to the Eligible Employee's Account (determined prior to the application of the leveling procedure described below) minus the product of the Eligible Employee's Actual Contribution Percentage (determined after the leveling procedure described below) multiplied by the amount specified in Section 3.8(g)(ii)(B) above. In accordance with the regulations issued under Section 401(m) of the Code, Excess Amounts shall be determined by a leveling procedure under which the Actual Contribution Percentage of the Higher Paid Eligible Employee with the highest such percentage shall be reduced to the extent required to enable the limitation of Section 3.8(a) to be satisfied or, if it results in a lower reduction, to the extent required to cause such Higher Paid Eligible Employee's Actual Contribution Percentage to equal the Actual Contribution Percentage of the Higher Paid Eligible Employee with the next highest Actual Contribution Percentage. This leveling procedure shall be repeated until the limitation of Section 3.8(a) is satisfied.

(iv) The term "Qualified Nonelective Contributions" shall have the meaning specified in Section 3.3(f)(iv).

(v) In the event the Companies maintain two or more plans that are treated as a single plan for purposes of Sections 401(a)(4) and 410(b) of the Code (other than Section 410(b)(2)(A)(ii) of the Code), all Matching Contributions and forfeitures under the two plans shall be treated as made under a single plan, and if two or more of such plans are permissibly aggregated for purposes of Section 401(m) of the Code, such plans shall be treated as a single plan for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code.

(vi) In determining the Actual Contribution Percentage of a Higher Paid Eligible Employee, all plans in which such Higher Paid Eligible Employee is eligible to participate shall be treated as a single arrangement.

(vii) The family aggregation rules of Section 414(q)(6) of the Code shall apply to any Higher Paid Eligible Employee who is a five percent owner or one of the ten most highly compensated Higher Paid Eligible Employees. The Actual Contribution Percentage for the family group, which is treated as one Higher Paid Eligible Employee, is the Actual Contribution Percentage determined by combining the contributions and compensation of all eligible Family Members. Except to the extent taken into account in this Paragraph (vii), the contributions and compensation of all Family Members are disregarded in determining the Actual Contribution Percentages for all Employees.

(h) The limitations of this Section 3.8 shall apply to Plan Years beginning on or after January 1, 1987.

(i) Notwithstanding anything in the Plan to the contrary, if the rate of Matching Contributions, determined after application of the corrective mechanisms described in Section 3.3, discriminates in favor of Higher Paid Eligible Employees, any such amounts attributable to any Excess Amounts (as described in Subsection 3.3(f)(iii)) of each affected Higher Paid Eligible Employee shall be forfeited so that the rate of Matching Contribution is nondiscriminatory. Any such forfeitures shall be made no later than the end of the Plan Year following the Plan Year for which the Matching Contribution was made and shall be treated in accordance with Section 3.9.

3.9 Forfeitures --

(a) In the event that a Participant incurs a Severance from Service prior to attaining a Nonforfeitable right to the Participant's Matching Contribution, the Matching Contribution Account will be forfeited as of the first day of the month immediately following the earliest of: (i) the date on which the Participant incurs a Period of Severance of five consecutive years; (ii) death; or (iii) the date on which the Participant's Employee Account is distributed in accordance with Article VI. Forfeitures of Matching Contributions will be used to reduce future contributions of the Companies to the Plan.

(b) If, in connection with his Severance from Service, a Participant received a distribution of his Employee Account when he did not have a Nonforfeitable right to his Matching Contribution Account, the Matching Contributions that were forfeited, unadjusted by any subsequent gains or losses, shall be restored if he again becomes an Employee prior to incurring a Period of Severance of five consecutive years, performs an Hour of Service, and repays the full value of his prior distributions, unadjusted for subsequent gains and losses, before the first to occur of (i) the end of the five year period beginning with the date he again becomes an Employee or (ii) the date on which he incurs a Period of Severance of five consecutive years.

3.10 Rollover Contributions and Transfers --

(a) Effective April 1, 1991, Participants may transfer into the Plan qualifying rollover amounts (as defined in Section 402 of the Code) received from other qualified plans subject to Section 401(k) or Section 401(m) of the Code; qualified defined contribution pension or profit sharing plans, provided that no federal income tax has been required to have been paid previously on such amounts; rollover contributions from an individual retirement account described in Section 408(d)(3)(A)(ii) of the Code (referred to herein as a "conduit IRA"); or rollover contributions from the Raytheon Stock Ownership Plan by former Participants in that plan who have incurred a Severance from Service. Such transfers will be referred to as "rollover contributions" and will be subject to the following conditions:

(i) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from another qualified Section 401(k) or Section 401(m) plan or, in the event that the funds are transferred from a conduit IRA, no later than sixty (60) days from the date that the Participant receives such funds from the individual retirement account, subject, however, to (v) below where applicable;

(ii) the amount of such rollover contributions shall not exceed the limitations set forth in Section 402 of the Code;

(iii) rollover contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to Article VII;

(iv) rollover contributions may be distributed at the request of the Participant, subject to the same administrative procedures as apply to other distributions;

(v) rollover contributions may not be received by the Trustee earlier than the Pay Period upon which the Participant elects to join the Plan;

(vi) rollover contributions transferred pursuant to this paragraph (a) of Section 3.10 shall be credited to the Participant's Rollover Contribution Account. Rollover contributions will be invested upon receipt by the Trustee;

(vii) no rollover contribution will be accepted unless (A) the Employee on whose behalf the rollover contribution will be made is either a Participant or has notified the Administrator that he intends to become a Participant on the first date on which he is eligible therefor, or was a former Participant in the Raytheon Stock Ownership Plan and the entire amount of the rollover contribution is comprised of the Participant's account in that plan; and (B) all required information, including selection of specific investment accounts, is provided to Fidelity. When the rollover contribution has been deposited, any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in Sections 4.2 and 4.3.

(viii) Under no circumstances shall the Administrator accept as a rollover contribution amounts which have previously been subject to federal income tax.

(b) Effective January 1, 1993, Participants may direct that "eligible rollover distributions," as defined in Section 402(c) of the Code, be transferred directly to the Plan. Rules similar to those applicable to "rollover contributions" shall apply to amounts transferred directly to the Plan.

(c) Participants who are also covered under the Raytheon Stock Ownership Plan and who are entitled to diversify their accounts under such plan, may direct that the portion of their account which is eligible for diversification under such plan be transferred to the Plan. Rules similar to those applicable to "rollover contributions" shall apply to amounts transferred to this Plan except that such transferred amounts shall not be eligible for loans or withdrawals.

(d) Account balances held in other defined contribution plans sponsored by member of the Raytheon controlled group of corporations by Participants in this Plan shall be transferred to this Plan on the following conditions:

(i) the account balances, including loan balances, held by former Employees of Serv-Air in the Serv-Air Inc. Savings and Retirement Plan (E-Systems Bright Plan) will be transferred to this Plan on March 1, 1996, or as soon thereafter as is administratively feasible, provided that the accounts of those Participants who notify the local employee benefits office of their desire not to have their accounts transferred will not be transferred as of March 1, 1996, but may be transferred in the future as of specified dates by mutual consent of the respective Plan sponsors and record keepers. The account balances transferred from the Serv-Air Inc. Savings and Retirement Plan may, at the election of the member, be distributed in either a lump sum payable in cash or substantially level periodic installments, or a combination thereof. In the event distribution is delayed or in the event distribution is in installments, the allocation of gains and losses shall continue to be applicable to the transferred balance until fully distributed;

(ii) the account balances of Employees of Seiscor Technologies Inc. which are being held in the Seiscor Technologies 401(k) Plan (including loan balances, after-tax contributions and earnings thereon) shall be transferred to this Plan on March 1, 1996, or as soon thereafter as administratively feasible;

(iii) Participants who were participants in the United Dominion Industries Compass Plan may transfer pre-tax and after-tax accounts to this Plan on or after January 1, 1996. Such Participants who were hired by United Dominion Industries prior to July 1, 1990, may elect, upon retirement, to use all or part of the Rollover Account (including the after-tax subaccount) received from the United Dominion Industries Compass Plan and the earnings thereon to purchase an annuity providing a lifetime monthly benefit. A list of the Participants who have a right to elect a lifetime annuity with respect to their rollover account received from the United Dominion Industries Compass Plan is set forth on Appendix D hereof. If the Participant is married, the annuity will be paid in the standard form of a 50% joint and survivor annuity with the spouse as the joint annuitant unless the spouse consents in writing before a notary public to a different form of annuity.

(iv) Participants who are participants in the E-Systems Inc. Employee Savings Plan ("E-Systems Savings Plan") may, while in a Period of Service with one of the Companies, elect to transfer the following accounts held in the E-Systems Savings Plan to this Plan on or after October 1, 1996: Employer Pre-Tax Basic (elective deferrals); E-Systems Company Match (matching contributions); E-Systems ESOP Assets Account; ECAP Profit-Sharing Plan; and rollover contributions. No other accounts in the E-Systems Savings Plan, including without limitation the S&I Pre-1987 After-Tax Basic, the VRIF Pre-1987 After-Tax Basic and the VRIF Post-1986 After-Tax Basic, shall be transferred to this Plan. Assets transferred from E-Systems Savings Plan accounts shall be held in RAYSIP accounts as follows:

E-Systems Account	RAYSIP Account
Employer Pre-Tax Basic Account	Employee Account
ESOP Assets Account and E-Systems Rollover Contributions Account	Rollover Contributions Account
E-Systems Company Match Account and ECAP Employer Profit-Sharing Account	Qualified Non-Elective Contribution Account

(e) Separate subaccounts shall be established for all amounts received from after-tax accounts in the Seiscor Technologies 401(k) Plan and the United Dominion Industries Compass Plan, and such other plans from which transfers of after-tax accounts to this Plan have been approved by the Administrator. Fidelity shall maintain appropriate records for these after-tax subaccounts for tax purposes, including determining the appropriate basis upon which earnings will be taxed at the time of withdrawal or distribution. Participants may not borrow against the balances in these after-tax subaccounts. Withdrawals may be made from such accounts pursuant to Section 6.3.

(f) Effective April 1, 1997, an Eligible Employee may transfer into the Plan qualified rollover amounts (as defined in Section 401 of the Code) received from other qualified plans subject to Section 401(k) or Section 401(m) of the Code without regard to whether the Eligible Employee has completed a Period of Service of three (3) consecutive months commencing on the Employment Commencement Date or Reemployment Commencement Date as applicable.

3.11 Refund of Contributions to the Companies -- Notwithstanding the provisions of Article XII, if, or to the extent that, the Companies' deductions for contributions made to the Plan are disallowed, the Companies will have the right to obtain the return of any such contributions for a period of one year from the date of disallowance. For this purpose, all Elective Deferrals and Matching Contributions are made subject to the conditions that they are deductible under the Code for the taxable year of the Companies for which the contribution is made. Furthermore, any contribution made by the Companies on the basis of a mistake in fact may be returned to the Companies within one year from the date such contribution was made.

3.12 Qualified Non-Elective Contributions -- Specified Amounts -- Each of the Companies may make contributions to the Plan on behalf of eligible Employees, provided that the name of the unit, the effective date of such contributions and the specified amount are set forth on Appendix B hereto. Such contributions shall be Qualified Non-Elective Contributions as defined in Section 3.3(f)(iv) and shall be included in determining the actual deferral percentage under Section 3.3. If the contributions described in this Section 3.12 are made on behalf of an Employee who is not a Participant, an Account shall be established for such Employee and the Employee shall have the right to elect investment options under Section 4.1. If the Employee does not make a valid election in which investment options are designated for 100% of the Participant's Account, then 100% of the Participant's Account shall be invested in Fund B, a fixed income fund. The Employee may, in accordance with Sections 4.2 and 4.3, change the investment allocation for future deferrals and transfer account balances between investment funds.

ARTICLE IV - INVESTMENT OF ACCOUNTS

4.1 Election of Investment Funds -- Upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Employee Account and Matching Contribution Account be invested in increments of one percent (1%) in one or more of the following investment funds:

Fund A - an equity fund designated by the Administrator;

Fund B - a fixed income fund designated by the Administrator;

Fund C - Raytheon Company common stock fund;

Fund D - a stock index fund designated by the Administrator;

Fund E - a balanced fund designated by the Administrator;

Fund F - a growth fund, designated by the Administrator, investing primarily in equities of companies of all types and sizes;

Fund G - a growth fund, designated by the Administrator, investing primarily in equities of well-known and established companies.

In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion.

Each election will apply to both accounts so that the Employee Account and Matching Contribution Account of the Participant will be invested in the same percentages in the one or more investment funds selected by the Participant. Officers covered the Securities and Exchange Commission Regulation 16b wil not be eligible to elect Fund C, the Raytheon common stock fund, until such election is approved by the shareholders of Raytheon Company. Any request to invest in or transfer out of the Raytheon Common Stock Fund by an "executive officer," as that term is defined in the regulations of the Securities Exchange Commission (SEC) shall not become effective until six (6) months subsequent to the date the Administrator is notified of the request.

4.2 Change in Investment Allocation of Future Deferrals -- Each Participant may elect to change the investment allocation of future Elective Deferrals, Matching Contributions and rollover contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to Fidelity. Any changes must be made either in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3 Transfer of Account Balances Between Investment Funds -- Each Participant may elect to transfer all or a portion of the amount in the Participant's Employee Account, Matching Contribution Account and Rollover Contribution Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to Fidelity. In determining the amount of the transfer, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to Fidelity.

4.4 Ownership Status of Funds -- The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D and E and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D and E, and such other funds as may be established by the Administrator, in a cash amount and shall reflect each Participant's portion of Fund C in cash and unitized shares of stock.

4.5 Voting Rights -- Participants whose Account has shares of participation in the Raytheon Company Common Stock Fund on the last business day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in the Raytheon Common Stock Fund by the closing price of Raytheon Common Stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote Participant's shares as recommended by management. In addition, each Participant shall have the right to accept or reject any tender or exchange offer for shares of common stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of Raytheon Common Stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from an individual Participant shall be held in confidence by the Trustee and shall not be divulged to the Companies or to any officer or employee thereof or to any other person.

ARTICLE V - VESTING

5.1 Employee, Rollover Contribution and Qualified Non-Elective Contribution Accounts -- Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Employee, Rollover Contribution and Qualified Non-Elective Contribution Accounts.

5.2 Matching Contribution Account -- Each Participant shall have a Nonforfeitable right to the Participant's Matching Contribution Account upon the earliest of:

(a) Completion of a Period of Service of five (5) years commencing on or after January 1, 1984 (for purposes of determining the length of a Period of Service under this paragraph only, service by Employees on or after January 1, 1984, with the following Companies, the assets of which have been acquired by the Company, will be credited as vesting service: Unimac Company, Inc.; Litwin Engineers & Constructors, Inc.; E-Systems, Inc.; Rust Engineering, Inc., including Rust Plant Services. In addition, vesting service credited to an Employee under Section 6.2(b) of the Speed Queen Company Retirement Savings Plan will be credited to an Eligible Employee regardless of whether such vesting service was earned prior to January 1, 1984); or

(b) Completion of a Period of Participation of three (3) years subsequent to fulfillment of the eligibility requirements in Sections 2.1 or 2.2 (except that, in applying this paragraph to Employees on the payroll of Arkansas Aerospace Inc. as of June 30, 1994, who, as of July 1, 1994, become Participants in this Plan, the Employment Commencement Date (or, if a Period of Severance occurred since such date, the Reemployment Commencement Date) with Arkansas Aerospace Inc. shall be deemed to be the date of commencement of participation under this Plan and, in applying this paragraph to Employees on the payroll of Speed Queen Company as of December 31, 1994, who, as of January 1, 1995, become Participants in this Plan, the most recent date on which the Employee commenced participation in the Unimac Company, Inc. Retirement Plan shall be deemed to be the date of commencement of participation under this Plan); and, in applying this paragraph to Employees on the salaried payrolls of Standard Havens, Inc. as of March 31, 1995, who as of April 1, 1995, become Participants in this Plan, the most recent date on which the Employee commenced participation in the Standard Havens, Inc. 401(k) Profit Sharing Plan shall be deemed the date of commencement of participation under this Plan; or

(c) The Participant's Retirement, death (while an Employee), Disability or attainment of Normal Retirement Age; or

(d) The date of layoff of Participants laid off as a result of the permanent closing of the Oxnard plant; or

(e) November 20, 1992, for those Participants who were employed by Seismograph Service Corporation or GeoQuest Systems, Inc. as of such date and became employees of Schlumberger, Inc. or a subsidiary thereof as a result of the sale of the Raytheon seismic business to Schlumberger; or

(f) The date of Layoff of Participants laid off as a result of the sale of the Sorensen facility; or

(g) The date of transfer for those Participants permanently transferred to Standard Missile Company (a joint venture between Raytheon Company and Hughes Missile Systems Company).

(h) October 31, 1995, for those Participants who were employed by D. C. Heath as of such date and became employees of Houghton Mifflin Inc., or a subsidiary thereof, as a result of the sale of the D. C. Heath business to Houghton Mifflin on October 31, 1995.

(i) June 27, 1997, for those Participants who were employed by Raytheon Engineers & Constructors, Inc. as of such date in the Process Automation Group and became employees of Simulations Sciences, Inc., or a subsidiary thereof, as a result of the sale of the Process Automation business to Simulations Sciences, Inc. on June 27, 1997.

(j) September 10, 1997 (or such other date on which the merger of Raytheon Appliances, Inc. with Goodman Manufacturing Company, L.P. is closed), for those Employees who were employed by Raytheon Appliances, Inc. as of such date and who did not become Employees of Raytheon Commercial Laundry, L.L.C. as of September 11, 1997 (or, if different, the day immediately following the closing of the merger of Raytheon Appliances, Inc. and Goodman Manufacturing Company, L.P.).

(k) December 31, 1997, for Participants who as of such date were employed by either Switchcraft Inc. or Fairchild Semiconductor, Inc. (formerly Raytheon Semiconductor, Inc.).

(l) April 1, 1998, for Participants who as of such date were employed by Seiscor Technologies, Inc. and, as "Assumed Employees" as defined in the Acquisition Agreement, dated as of March 31, 1998, between Seiscor Technologies, Inc. and Pulse Communications, Inc., became employees of Pulse Communications, Inc. aS of April 1, 1998.

(m) May 5, 1998, for Participants who as of such date were employed by Raytheon Commercial Laundry, LLC.

5.3 Break in Service Rules

(a) Periods of Service -- In determining the length of a Period of Service, the Administrator shall include all Periods of Service, except the following Periods of Service shall not be taken into account:

(i) in the case of a Participant who has made no Elective Deferrals to the Plan, the Period of Service before any Period of Severance which equals or exceeds five consecutive years; and

(ii) in the case of a Participant who has made Elective Deferrals to the Plan and who has incurred a Period of Severance which equals or exceeds five years, the Period of Service after such Period of Severance shall not be taken into account for purposes of determining the nonforfeitable interest of such Participant in the Matching Contributions allocated to his Account prior to such Period of Severance.

(b) Periods of Severance -- In determining the length of a Period of Service for purposes of Section 14.39, the Administrator shall include any period of time beginning on an Employee's Severance from Service Date and ending on the date on which he is next credited with an Hour of Service, provided that such Hour of Service is credited within the 12 consecutive month period following such Severance from Service Date.

(c) Other Periods -- In making the determinations described in subsections (a) and (b) of this Section 5.3, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE VI - WITHDRAWALS

6.1 In-Service Withdrawals - Matching Contributions -- Upon completion of a Period of Participation of five (5) years, a Participant may withdraw, subject to both a minimum withdrawal amount of $250 and the requirement that a Participant may withdraw no more than twice during a Plan Year, if no loans are outstanding, and only once during a Plan Year if loans are outstanding, all or part of the Participant's Matching Contribution Account. Withdrawals will be based upon the value of the Account as determined under Section 6.9. Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator will be made in cash; withdrawals from Fund C will be made in cash or stock (with cash for fractional or uninvested shares) as directed by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Matching Contribution Account.

6.2 In-Service Withdrawal - Employee and Qualified Non-Elective Contribution Accounts -- While in a Period of Service, a Participant may withdraw assets from his or her Accounts as follows:

(a) all or a portion of the Participant's Employee Account and Qualified Non-Elective Contribution Account upon attainment of age 59 1/2 or

(b) a distributable amount (as defined in Treas. Reg. ss. 1.401(k)-1(d)(2)) on account of a hardship as defined in the regulation. A distribution is made on account of a hardship only if the distribution both is made on account of an immediate and heavy financial need of the Participant and is necessary to satisfy the financial need. In determining the amount required to satisfy the financial need, the Administrator shall take into account the federal, state and local income taxes or penalties reasonably anticipated to result from the withdrawal. The distributable amount is equal to the Participant's total Elective Deferrals as of the date of distribution reduced by the amount of

previous distributions on account of hardship and increased by that portion of income allocable to Elective Deferrals which was credited to the Participant's Account as of December 31, 1988. Withdrawals from the Employee Accounts of less than $250 will not be permitted. Withdrawals will be based upon the value of the Account as determined under Section 6.9. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash; withdrawals from Fund C will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Employee Account.

6.3 In-Service Withdrawal - Rollover Contribution Account -- A Participant may withdraw all or a portion of the Participant's Rollover Contribution Account. Withdrawals will be based upon the value of the Account as determined under Section 6.9. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Fund C will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

6.4 Requirements For Financial Hardship Withdrawals --

(a) A Participant requesting a withdrawal of the distributable amount of the Participant's Employee Account due to reasons of immediate and heavy financial need must submit such documentation or information in other form as required by the Administrator and shall advise Fidelity by telephone notice or such other means as established by the Administrator's rules then in effect of the existence of an immediate and heavy financial need and the fact that the need will be satisfied by the requested distribution.

(b) The Participant shall represent that this financial need cannot be satisfied by any of the following sources: through reimbursement or compensation by insurance or otherwise; by liquidation of the Participant's assets; by cessation of Elective Deferrals under the Plan; or by other distributions or non-taxable (at the time of the loan) loans currently available from plans maintained by the Employer or by any other employer, or by borrowing from commercial sources on reasonable commercial terms.

(c) For purposes of Section 6.2, "immediate and heavy financial need" is limited to financial need arising from the following specific causes: expenses for medical care (as described in Section 213(d) of the Code) previously incurred by the Participant, the Participant's spouse or any dependents (as defined in Section 152 of the Code) of the Participant, or which are necessary for these persons to obtain medical care described in Section 213(d) of the Code; costs directly related to the purchase of a principal residence for the Participant (excluding mortgage payments); payment of tuition and related educational expenses for the next twelve months of post-secondary education for the Participant, or the Participant's spouse, children or dependents (as defined in Section 152 of the Code); expenses relating to the need to prevent the eviction from or foreclosure on the Participant's principal residence; or any other circumstance, as determined by the Administrator based upon all the relevant facts, establishing substantial justification for the withdrawal.

(d) If a Participant receives a withdrawal for reasons of financial hardship, his or her Elective Deferrals shall be reduced to six percent (6%), if in excess thereof as of the date of distribution, and shall not be increased during the twelve months immediately subsequent to the date of distribution.

6.5 Redeposits Prohibited -- No amount withdrawn pursuant to Section 6.1, Section 6.2 or Section 6.3 may be redeposited in the Plan.

6.6 Distribution -- Distribution of the Participant's Employee, Rollover Contribution and Qualified Non-Elective Contribution Accounts and, if the Participant has a Nonforfeitable right to his or her Matching Contribution Account pursuant to Section 5.2, the Matching Contribution Account, will be made at the direction of the Participant (or his legal representative or Beneficiary in the case of his Disability or death) upon the Retirement, Disability (as defined in Section 14.13), death, Severance from Service (as defined in Section 14.49) or Layoff (as defined in Section 14.27) of the Participant. In the event the Participant dies or his Severance from Service occurs after his Normal Retirement Age, or if the value of the Nonforfeitable portion of the Participant's Account as of the Valuation Date which coincides with or immediately precedes the date of distribution is not in excess of $3,500, the Administrator shall cause the distribution to automatically be made. Payment will be made in the form of a lump sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right) which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant to Fidelity for the distribution. Distributions will be based upon the value of the Account as determined under Section 6.9. Distribution of the amounts in said accounts in the funds designated in Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Distribution of any amount in said accounts in Fund C (Raytheon Company stock) will be made in either cash or, if elected by the Participant or, in the case of death, the Participant's Beneficiary, stock. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of a Participant's Account is to be made, such payment shall be made in a lump sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary notwithstanding: the Participant's (a) spouse, (b) children and issue of deceased children by right of representation, (c) parents, (d) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (e) executors or administrators. If no Beneficiary can be located during a period of seven (7) years from the date of death, the amount of the distribution shall revert to the Trust and be treated in the same manner as a forfeiture under Section 3.9.

Except as provided by Section 401(a)(9) of the Code as set forth in this Section, benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(1) attainment by the Participant of Normal Retirement Age;

(2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or

(3) Participant's Severance from Service.

If the amount of the benefit payable to a Participant has not been ascertained by the sixtieth (60th) day after the close of the Plan Year in which the latest of the three events described in clauses (1), (2) and (3) above occurred, or Participant cannot be located after reasonable efforts to do so, then payment retroactive to said sixtieth (60th) day after the close of the Plan Year in which the latest of the three events occurred may be made no later than sixty (60) days after the later of the earliest date on which the amount of such payment can be ascertained under the Plan or the earliest date on which the Participant is located.

To the extent required by Section 401(a)(9) of the Code, distributions of Participants' Accounts will be made with respect to Participants who attain age 70 1/2.

In the event amounts are transferred to this Plan from another plan qualified under Section 401(a) of the Code (other than amounts described in Section 3.10(c)), any distribution or withdrawal rights available to the Participant under such other plan which are protected under Section 411(d)(6) of the Code shall be available to the Participant under this Plan.

6.7 Withdrawal/Distribution - Executive Officers -- No withdrawal by or distribution to an "executive officer," as that term is defined by the SEC, from an Account in the Raytheon Common Stock Fund will be effective until the expiration of six (6) months from the date the Administrator receives the request for the withdrawal or distribution.

6.8 Direct Rollovers -- Effective January 1, 1993, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this paragraph, the following terms shall have the following meanings:

(a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income.

(b) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code or a qualified trust described in Section 401(a) of the Code that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, the term is limited to an individual retirement account or individual retirement annuity.

(c) Distributee: A distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(d) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

6.9 Determination of Amount of Withdrawal or Distribution -- In determining the amount of any withdrawal or distribution hereunder, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day.

6.10 Sale or Divestiture of Business -- Notwithstanding the provisions of Section 14.50(g), a Participant whose employment is terminated by reason of the sale or divestiture or assets or stock of a business may withdraw part or all of his or her Account if otherwise permitted by law.

ARTICLE VII - LOANS

7.1 Availability of Loans -- Participants may borrow against all or a portion of the balance in the Participant's Employee Account and Rollover Contribution Account, and the Matching Contribution Account if the Participant has a Nonforfeitable right thereto pursuant to Section 5.2, subject to the limitations set forth in this Article. Participants who have incurred a Severance from Service will not be eligible for a Plan loan. The Vice President, Human Resources, is authorized to administer this loan program and may establish uniform and equitable rules to resolve issues not specifically covered in this Article.

7.2 Minimum Amount of Loan -- No loan of less than $500 will be permitted.

7.3 Maximum Amount of Loan -- No loan in excess of fifty percent (50%) of the aggregate value of a Participant's Employee Account and Rollover Contribution Account and the Nonforfeitable portion of Participant's Matching Contribution Account balances will be permitted. In addition, limits imposed by the Internal Revenue Code and any other requirements of applicable statute or regulation will be applied. Under the current requirements of the Internal Revenue Code, if the aggregate value of a Participant's Employee Account, Rollover Contribution Account and Nonforfeitable portion of the Matching Contribution Account exceeds $20,000, the loan cannot exceed the lesser of one-half (1/2) the Nonforfeitable aggregate value or $50,000 reduced by the excess of (a) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan was made over (b) the outstanding balance of loans from the Plan on the date on which such loan was made.

7.4 Effective Date of Loans -- Loans will be effective as specified in the Administrator's rules then in effect.

7.5 Repayment Schedule - The Participant may select a repayment schedule of 1, 2, 3, 4 or 5 years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to 15 years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Companies, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump sum. The minimum repayment amount per pay period is $10 for Participants paid weekly and $50 for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan.

7.6 Limit on Number of Loans -- No more than two loans may be outstanding at any time.

7.7 Interest Rate -- The interest rate for a loan pursuant to this Article will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective at any time during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective at any time during the period January 1 through June 30 thereafter.

7.8 Effect Upon Participants Employee Account -- Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Accounts in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Matching Contribution Account; Employee Account; and Rollover Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in the reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9 Effect of Severance From Service and Non-Payment -- In the event that a loan remains outstanding upon the Severance from Service of a Participant, the Participant will be given the option of continuing to repay the outstanding loan. In any case where payments on the outstanding loan are not made within 90 days of the Participant's Severance from Service Date, the amount of any unpaid principal will be deducted from the Participant's account and reported as a distribution. If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after Participant returns to active employment with the Employer, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension. In the event the Participant does not return to active employment with the Employer, the Participant will be given the option of continuing to repay the outstanding loan. If the Participant fails to resume payments on the loan, the outstanding loan will be reported as a taxable distribution. In no event, however, shall the loan be deducted from the Participant's Account earlier than the date on which the Participant (i) incurs a Severance from Service, or, (ii) attains age 59-1/2.

7.10 Loans - Executive Officers -- No loan to an executive officer from an Account in the Raytheon Common Stock Fund will be effective until the expiration of six (6) months from the date on which the application for the loan is received by the Administrator.

ARTICLE VIII - LIMITATIONS OF SECTION 415 OF THE CODE

8.1 Maximum Permissible Amount of a Participant's Annual Addition -- The total for any Limitation Year of the annual additions to a Participant's Account under this Plan when added to the annual additions to a Participant's account under any qualified defined contribution plan maintained by the Employer shall not exceed the lesser of (i) twenty-five percent (25%) of total compensation from the Employer, and (ii) $30,000 or, if greater, one-fourth of the defined benefit dollar limitation set forth in Section 415(b)(1) of the Code as in effect for the Limitation Year.

For purposes of this Section 8.1, the term "annual addition" shall mean, with respect to any Limitation Year, Matching Contributions, forfeitures, Qualified Nonelective Contributions and Elective Deferrals to this Plan, plus the sum of the following amounts allocable for such Plan Year to the Participant's accounts in all other qualified plans maintained by the Employer in which he participates: (1) employer contributions (including pre-tax contributions), (2) forfeitures which have been reallocated to the Participant's account, (3) Participant after-tax contributions; and (4) amounts described in Sections 415(l)(1) and 419A(d)(2) of the Code.

For purposes of this Section 8.1, the term "compensation" shall mean all amounts paid to an Employee for personal services actually rendered to the Companies and Affiliates, including, but not limited to, wages, salary, commissions, bonuses, overtime and other premium pay as specified in Reg. Section 1.415-2(d)(2), but excluding deferred compensation, stock options, and other distributions which receive special tax treatment as specified in Reg. Section 1.415-2(d)(3).

8.2 Reduction of Annual Additions -- In the event it is determined that the annual additions to a Participant's Account under this Plan or any other qualified defined contribution plan maintained by the Employer for any limitation year would be in excess of the limitations of Section 8.1, such annual additions shall be reduced to the extent necessary to bring them within such limitations. If, as a result of the allocation of forfeitures, a reasonable error in estimating a Participant's Eligible Compensation, a reasonable error in determining the amount of Elective Deferrals that may be made with respect to any Participant, or under other limited facts and circumstances which the Internal Revenue Service finds justify the availability of the remedies contained herein, the Administrator, in coordination with the administrator of any other defined contriution plan maintained by the Employer, shall reduce the annual additions which have been made to a Participant's Account to the acceptable limit by the following procedures, on a pro rata basis, in the following order:

(a) by returning to the Participant any voluntary or mandatory Employee contributions made to the Raytheon Support Services Company Money Accumulation Plan or any other defined contribution plan maintained by the Employer;

(b) to the extent the limitation is still exceeded, Elective Deferrals to this Plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be distributed to the Participant; and

(c) to the extent such limitation is still exceeded, any Qualified Non-Elective Contribution to Participant's account in this Plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be reduced to the extent necessary to reduce annual additions to the acceptable limit;

(d) to the extent the limitation is still exceeded, any Matching Employer Contributions to this Plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be reduced to the extent necessary to decrease Participant's annual additions to the acceptable limit;

(e) to the extent the limitation is still exceeded, excess annual additions in the Participant's Account in the Raytheon Stock Ownership Plan (RAYSOP) shall be used to reduce allocations for the next Limitation Year (and succeeding Limitation Years, as necessary) for that Participant if the Participant is covered by such Plan at the end of such Limitation Year. In the event the Participant is not covered by the Plan at the end of the Limitation Year, any excess annual additions which remain must, as provided in Reg. ss.1.415-6(b)(6)(ii), be held unallocated in a suspense account for the Limitation Year and reallocated in the next Limitation Year to all of the remaining Participants in proportion to their RAYSOP allocation in such Plan Year.

8.3 Coordination with Limitation on Benefit from All Plans -- Notwithstanding any other provisions in this Plan to the contrary, in the case of a Participant who also participates in any qualified defined benefit plan which is maintained by the Employer (whether or not terminated), the sum of the defined benefit plan fraction and the defined contribution plan fraction may not exceed 1.0 for any Limitation Year. The defined benefit plan fraction for any Limitation Year is a fraction, the numerator of which is the projected annual benefit of the Participant under the plan (determined as of the close of the Limitation Year); and the denominator of which is the lesser of (i) the product of 1.25, multiplied by the dollar limitation applicable to defined benefit plans, in effect under applicable law for such Limitation Year; or (ii) the product of 1.4 multiplied by one hundred percent (100%) of the Participant's average compensation for the three consecutive calendar years during which he had the highest aggregate compensation from the Employer. The defined contribution plan fraction for any Limitation Year is a fraction, the numerator of which is the sum of the annual additions (as defined in Section 8.1) to the Participant's Accounts as of the close of the Limitation Year; and the denominator of which is the sum of the lesser of the following amounts determined for the current Limitation Year and each prior Limitation Year: (i) the product of 1.25 multiplied by the dollar limitation applicable to defined contribution plans, in effect under applicable law for the Limitation Year; or (ii) the product of 1.4 multiplied by 25% of such Participant's total compensation for the Limitation Year. In the event that the limitation set forth above is exceeded, adjustments shall be made in the defined benefit plan.

8.4 Effective Date -- This Article VIII shall be effective for Limitation Years beginning on or after January 1, 1987.

ARTICLE IX - LIMITATIONS OF SECTION 416 OF THE CODE

9.1 General Rule -- In the event that the Plan becomes top heavy with respect to a Plan Year commencing on or after January 1, 1984, the provisions of this Article shall apply and shall supersede any conflicting provisions in the Plan.

9.2 Definitions --

(a) Key Employee: Any Employee or former Employee (and the Beneficiaries of such Employee) who at any time during the determination period was an officer of the Employer, an owner (or considered an owner under Section 415(c)(1)(A) of the Code) of one of the ten largest interests in the Employer if such individual's compensation exceeds 150 percent of the dollar limitation under Section 415(c)(1)(A) of the Code, a five percent (5%) owner of the Employer, or a one percent (1%) owner of the Employer who has an annual compensation of more than $150,000. The determination period of the Plan is the Plan Year containing the determination date and the four (4) preceding Plan Years. The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the regulations thereunder.

(b) Non-Key Employee: Any Employee who is not a Key Employee.

(c) Top-Heavy Ratio:

(i) If the Employer maintains one or more defined benefit plans and the Employer has never maintained any defined contribution plans (including any simplified employee pension plan) which has covered or could cover a Participant in this Plan, the Top-Heavy Ratio is a fraction, the numerator of which is the sum of the present value of accrued benefits of all Key Employees as of the determination date (including any part of any accrued benefit distributed in the five-year period ending on the determination date), and the denominator of which is the sum of all accrued benefits (including any part of any accrued benefit distributed in the five-year period ending on the determination date) of all Participants as of the determination date.

(ii) If the Employer maintains one or more defined contribution plans (including any simplified employee pension plan) and the Employer maintains or has maintained one or more defined benefit plans which have covered or could cover a Participant in this Plan, the Top-Heavy Ratio is a fraction, the numerator of which is the sum of account balances under the defined contribution plans for all Key Employees and the present value of accrued benefits under the defined benefit plans for all Key Employees, and the denominator of which is the sum of the account balances under the defined contribution plans for all Participants and the present value of accrued benefits under the defined benefit plans for all Participants. Both the numerator and denominator of the Top-Heavy Ratio are adjusted for any distribution of an account balance or an accrued benefit made in the five-year period ending on the determination date and any contribution due but unpaid as of the determination date.

(iii) For purposes of (i) and (ii) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date. The account balances and accrued benefits of a Participant who is not a Key Employee but who was a Key Employee in a prior year will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans, the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year. The accrued benefit of a Participant other than a Key Employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(d) Permissive aggregation group: The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(e) Required aggregation group: (i) Each qualified plan of the Employer in which at least one Key Employee participates, and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Sections 401(a)(4) and 410 of the Code.

(f) Determination date: For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, the last day of that year.

(g) Valuation date: The last day of each Plan Year.

(h) Present Value: Present Value shall be based only on the interest rate used by the Administrator to determine compliance with the funding requirements under the Retirement Act and the mortality rates specified on an appropriate current unisex table.

9.3 Determination as to Whether the Plan is Top Heavy -- The Administrator shall determine whether the Plan is top heavy within the meaning of Section 416. The Plan shall be top heavy for any Plan Year beginning after December 31, 1983, if, as of the last day of the preceding Plan Year (the "determination date"), any of the following conditions exist:

(a) If the Top-Heavy Ratio for this Plan exceeds sixty percent (60%) and this Plan is not part of any required aggregation group or permissive aggregation group of plans;

(b) If this Plan is a part of a required aggregation group of plans (but which is not part of a permissive aggregation group) and the Top-Heavy Ratio for the group of plans exceeds sixty percent (60%); or

(c) If this Plan is a part of a required aggregation group of plans and part of a permissive aggregation group and the Top-Heavy Ratio for the permissive aggregation group exceeds sixty percent (60%).

In determining whether the Plan is top heavy for Plan Years commencing after December 31, 1984, the Account balance of a Participant who has not performed an Hour of Service for the Employer at any time during the five-consecutive-year period ending on the determination date shall be excluded from the calculation of the Top Heavy Ratio.

9.4 Minimum Contribution -- For each Plan Year with respect to which the Plan is top heavy, the minimum amount allocated under the Plan for the benefit of each Participant who is a Non-Key Employee and who is otherwise eligible for such an allocation shall be the lesser of:

(a) three percent (3%) of the Non-Key Participant's compensation (within the meaning of Section 415 of the Code) for the Plan Year, or

(b) the Non-Key Participant's compensation (as defined in Section 415 of the Code) times a percentage equal to the largest percentage of such compensation (not exceeding $200,000, $150,000 for Plan Years beginning on or after January 1, 1994) allocated to any Key Employee for the Plan Year under this Plan and all other defined contribution plans in the same required aggregation group. This clause (b) shall not apply to any plan required to be included in an aggregation group if such plan enables a defined benefit plan required to be included in such group to meet the requirements of Section 401(a)(4) or Section 410 of the Code.

This paragraph shall not apply to a Participant covered under a qualified defined benefit plan maintained by the Employer if the Participant's vested benefit thereunder satisfies the requirements of Section 416(c) of the Code. Notwithstanding any other language herein, a Non-Key Eligible Employee may not fail to receive a defined contribution minimum allocation because either (1) said Eligible Employee was excluded from participation (or accrues no benefit) merely because the Employee's compensation is less than the stated amount, or (2) the Employee is excluded from participation (or accrues no benefit) merely because of a failure to make Elective Deferrals.

9.5 Accelerated Vesting --

(a) For each Plan Year during which the Plan is top heavy, a vesting schedule which complies with the requirements of Section 416(b)(1)(a) of the Code will be placed in effect. Each Participant in a Period of Service during a Plan Year in which the Plan is top-heavy will be entitled to a Nonforfeitable right to one hundred percent (100%) of the pension benefit accrued from Employer contributions provided said Participant has completed a Period of Service with the Employer of at least three (3) years.

(b) In the event that an accelerated vesting schedule must be placed in effect in accordance with subparagraph (a) of this Section 9.5 and the Plan is later determined not to be top heavy, no vesting schedule change shall be made which shall have the effect of providing a benefit to a Participant less than the accrued cumulative benefit to which the Participant was otherwise entitled as of the date of said vesting schedule change pursuant to said subparagraph (a).

ARTICLE X - THE TRUST FUND

10.1 Trust Agreement -- During the period in which this Plan remains in existence, the Employer or any successor thereto shall maintain in effect a Trust Agreement with a corporate trustee as Trustee, to hold, invest, and distribute the Trust Fund in accordance with the terms of such Trust Agreement.

10.2 Investment of Accounts -- The Trustee shall invest and reinvest the Participant's accounts in investment options as defined in Section 4.1 as directed by the Administrator or its delegate in writing. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in accordance with Sections 4.2 and 4.3.

10.3 Expenses -- Expenses of the Plan and Trust shall be paid from the Trust.

ARTICLE XI - ADMINISTRATION OF THE PLAN

11.1 General Administration -- The general administration of the Plan shall be the responsibility of Raytheon Company (or any successor thereto) which shall be the Administrator and Named Fiduciary for purposes of the Retirement Act. The Company shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in Article XI, Section 11.2. All such determinations of the Company shall be conclusive and binding on all persons.

11.2 Responsibilities of the Administrator -- The Administrator shall assign responsibility for performance of all necessary administrative duties, including the following:

(a) Determination of all questions which may arise under the Plan with respect to eligibility for participation and administration of accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the Offices of the Executive Vice President - Chief Financial Officer, the Senior Vice President Treasurer, the Director of Tax Affairs, the Senior Vice President General Counsel, and the Senior Vice President - Human Resources, respectively, for advice and counsel.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing account balances, designation of beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the Government as required by law.

(f) Appointment of a Trustee or Trustees and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

11.3 Liability for Acts of Other Fiduciaries -- Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his assumption of Fiduciary status or after his termination from such status.

11.4 Employment by Fiduciaries -- Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

11.5 Recordkeeping -- The Administrator shall keep or cause to be kept any necessary data required for determining the account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

11.6 Claims Review Procedure -- The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

Step 1. Claims with respect to an Account should be filed by a claimant as soon as practicable after claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose account is at issue, by mailing a copy of the claim to the Benefits and Services Department, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173.

Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in Step 1.

Step 4. Within thirty (30) days following receipt of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation of the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

The Administrator is the fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined by the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

11.7 Indemnification of Directors and Employees -- The Companies shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or employee of the Employer, his heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Companies may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Companies.

11.8 Immunity from Liability -- Except to the extent that Section 410(a) of the Retirement Act prohibits the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed under Title I, Subtitle B, Part 4, of said Act, an officer, employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XII - AMENDMENT OR TERMINATION OF PLAN

12.1 Right to Amend or Terminate Plan

Each of the Companies reserves the right at any time or times, by action of its Board of Directors, to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a certified copy of the resolution of the Board of Directors, authorizing such modification, amendment or termination shall be delivered to the Trustee and to the other Companies whose Employees are covered by this Plan, provided, however, no amendment to the Plan shall be made which shall:

(a) deprive any Participant of amounts allocated to his Account prior to the date of the amendment;

(b) except as provided in Section 3.11, make it possible for any part of the corpus or income of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of the Participants or their beneficiaries prior to the satisfaction of all liabilities with respect to such Participant or their Beneficiaries;

(c) modify the vesting schedule and deprive a Participant of his Nonforfeitable rights to amounts allocated to his account prior to the date of the amendment. Further, if the vesting schedule of the Plan is amended, or the Plan is amended to directly or indirectly affect a Nonforfeitable percentage of a Participant's Account, each Participant with a Period of Service of at least three years may elect, within a reasonable period after the adoption of the amendment to have his nonforfeitable percentage computed under the Plan without regard to such amendment. The period during which the election may be made shall commence with the date the amendment is adopted or the change made and shall end on the latest of:

(i) 60 days after the amendment is adopted;

(ii) 60 days after the amendment becomes effective, or

(iii) 60 days after the Participant is issued written notice of the amendment;

(d) increase the duties of liabilities of the Trustee without its consent.

Notwithstanding the foregoing provisions of this Section or any other provisions of this Plan, any modification or amendment of the Plan may be made retroactively if necessary or appropriate to conform the Plan with, or to satisfy the conditions of, the Retirement Act, the Code, or any other law, governmental regulation or ruling.

Any termination, modification or amendment of the Plan shall be subject to approval by the Board of Directors of the Company.

12.2 Maintenance of Plan -- The Company has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the Company is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time.

12.3 Termination of Plan and Trust -- The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Company specifying the date as of which the Plan and Trust shall terminate;

(b) Adjudication of the Company as bankrupt or general assignment by the Company to or for the benefit of creditors or dissolution of the Company;

In the event of the complete termination of this Plan or the complete discontinuance of Matching Contributions under it (but a rescission under Section 13.2 for failure to qualify initially is not such a termination or complete discontinuance), the rights of each Participant to the amounts then credited to his or her Account shall be Nonforfeitable. In the event of the partial termination of this Plan, the rights of each Employee (as to whom the Plan is considered terminated) to the amounts then credited to his or her Account, shall be Nonforfeitable. Whether or not there is a complete or partial termination of this Plan shall be determined under the regulations promulgated pursuant to the Internal Revenue Code. To the extent this paragraph is inconsistent with any provisions contained elsewhere in this Plan or in the Trust which forms a part of this Plan, this paragraph shall govern. Upon such termination of the Plan and Trust, after payment of all expenses and proportional adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations to the date of termination, each Participant or former Participant shall, subject to the requirements of Section 401(k)(10) of the Code and Reg. ss. 1.401(k)-1(d)(3), be entitled to receive any amounts then credited to his or her Account in the Trust Fund. The Trustee may make payments in cash or, to the extent permitted by Section 6.6, in stock.

ARTICLE XIII - ADDITIONAL PROVISIONS

13.1 Effect of Merger, Consolidation or Transfer -- In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

13.2 Necessity of Initial Qualification -- This Plan is established with the intent that it shall qualify under Sections 401(a) and 401(k) of the Code as that section exists at the time the Plan is established. If the Internal Revenue Service determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination all of the assets of the Trust Fund held for the benefit of Participants and their beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code. Any nonvested Matching Contributions and earnings attributable thereto shall be returned to the Companies.

13.3 Limitation of Assignment -- No account under the Plan shall be subject in any manner to attachment, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, or the vesting of rights in any person by operation of law or otherwise except as provided under this Plan, including but not limited to the Trustee or Receiver in Bankruptcy, and any attempt so to anticipate, alienate, sell, transfer, assign, encumber or charge the same shall be void, nor shall any such benefit be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such benefit. If any Participant is adjudicated bankrupt, or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan, then such benefit shall, in the discretion of the Administrator, cease and terminate and in that event the Trustee shall hold or apply the same or any part thereof to or for the benefit of such Participant in such manner as the Administrator may direct.

Notwithstanding the foregoing, the Administrator is authorized to comply with a domestic relations order determined by it to be a qualified domestic relations order as defined in Section 414(p) of the Code. A distribution may be made to an alternate payee under a qualified domestic relations order in the form of a lump sum payment at the time specified in such order, regardless of any restrictions on the commencement of the distribution that then may apply to the Participant to whom the order relates.

13.4 Limitation of Rights of Employees -- This Plan is strictly a voluntary undertaking on the part of the Companies and shall not be deemed to constitute a contract between any of the Companies and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Companies or shall interfere with the right of any of the Companies to discharge or otherwise terminate the employment of any Employee of the Company at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

13.5 Construction -- The Plan shall be construed, regulated, and administered under the laws of the Commonwealth of Massachusetts, except to the extent that the Retirement Act otherwise requires. In the event that any provision of this Plan is inconsistent with any provision in the Retirement Act, the provision in the Retirement Act shall be deemed to be controlling.

13.6 Merger of United Engineers & Constructors, Inc. Profit Sharing Plan and the United Engineers & Constructors, Inc. Boston Employees Profit Sharing Plan -- Effective as of December 31, 1994, or such earlier date as is determined to be administratively feasible (the "Merger Date"), the United Engineers & Constructors, Inc. Profit Sharing Plan and the United Engineers & Constructors, Inc. Boston Employees Profit Sharing Plan (the "Merged Plans") shall be merged into this Plan. All assets held under the trust agreements for each of the Merged Plans shall be transferred to the Trustee, such transfer to be effective as of the Merger Date. Amounts held in the various investment accounts under the trust agreements for each of the Merged Plans shall be transferred to the investment accounts under the Trust in accordance with procedures established by the Administrator. Upon such transfer, the assets of the Merged Plans shall become assets of this Plan for all purposes hereunder, effective as of the Merger Date, and this Plan shall assume all the liabilities of the Merged Plans, and benefits shall thereafter be allocated and paid pursuant to the provisions of this Plan. All participants in the Merged Plans shall remain fully vested in their accounts which are transferred to this Plan. All withdrawal and distribution options under each of the Merged Plans shall be made available under this Plan with respect to the transferred accounts to the extent required by Section 411(d)(6) of the Code. Any amendments to this Plan which are effective prior to January 1, 1994 shall be considered as amendments to each of the Merged Plans as well.

13.7 Transfer of Assets from Raytheon Subsidiary Savings and Investment Plan -- Effective as of December 31, 1994, or such earlier date as is administratively feasible (the "Transfer Date") the account balances of those participants under the Raytheon Subsidiary Savings and Investment Plan who are employed on the non-exempt and exempt salaried payrolls of Harbert-Yeargin, Inc. (the "Transferred Accounts") shall be transferred into this Plan. Assets equal to the Transferred Accounts shall be transferred from the Raytheon Subsidiary Savings and Investment Plan to the Trustee, such transfer to be effective as of the Transfer Date. Amounts held in the various investment accounts under the Raytheon Subsidiary Savings and Investment Plan and Trust shall be transferred to the investment accounts under the Trust in accordance with procedures established by the Administrator. Upon such transfer, the assets transferred from the Raytheon Subsidiary Savings and Investment Plan shall become assets of this Plan for all purposes hereunder, effective as of the Transfer Date, and this Plan shall assume all the liabilities of the Raytheon Subsidiary Savings and Investment Plan for the Transferred Accounts, and benefits shall thereafter be allocated and paid pursuant to the provisions of this Plan. All participants in the Raytheon Subsidiary Savings and Investment Plan whose accounts are transferred to this Plan shall remain fully vested in their Transferred Accounts. All withdrawal and distribution options under the Raytheon Subsidiary Savings and Investment Plan shall be made available under this Plan with respect to the Transferred Accounts to the extent required by Section 411(d)(6) of the Code.

ARTICLE XIV - DEFINITIONS

The following terms have the meaning specified below unless the context indicates otherwise:

14.1 "Account" means the entire interest of a Participant in the Trust Fund. A Participant's Account shall consist of an Employee Account, a Matching Contribution Account and, where applicable, a Rollover Contribution Account and a Qualified Non-Elective Contribution Account.

14.2 "Administrator" means Raytheon Company.

14.3 "Affiliate" means a trade or business which together with any of the Companies is a member of (i) a controlled group of corporations within the meaning of Section 414(b) of the Code; (ii) a group of trades or businesses (whether or not incorporated) under common control as defined in Section 414(c) of the Code, or (iii) an affiliated service group as defined in Section 414(m) of the Code, or which is an entity otherwise required to be aggregated with the Companies pursuant to Section 414(o) of the Code. For purposes of Article VIII, the determination of controlled groups of corporations and trades or businesses under common control shall be made after taking into account the modification required under Section 415(h) of the Code. This section shall be effective as of January 1, 1987.

14.4 "Authorized Leave of Absence" means an absence approved by the Companies on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of Employee or relative, death of relative, education of Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Companies within the time period specified by the Companies.

14.5 "Authorized Military Leave of Absence" means any absence due to service in the Armed Forces of the United States, upon completion of which the Employee is entitled under any applicable Federal law to reemployment at the termination of such military service, provided that he returns to the service of the Companies within the period provided for by such applicable Federal law or such further period as may be established by the Administrator. As used in this paragraph, the term "Armed Forces of the United States" excludes the Merchant Marine.

14.6 "Beneficiary" means the person designated by the Participant to receive the value of his Account in the event of his death; provided, however, that if a Participant with a spouse designates a Beneficiary other than his spouse, said designation shall not take effect unless the spouse consents in writing to such designation and said spousal consent acknowledges the effect of said designation and is witnessed by a representative of the Plan or a notary public. Said spousal consent shall be effective only with respect to the spouse granting such consent, and shall not be required if the Participant can establish that there is no spouse, that the spouse cannot be located, or that other conditions exist as may be prescribed by regulations issued by the Secretary of the Treasury. If there is no Beneficiary designated by the Participant or surviving at the death of the Participant, payment of his Account shall be made in accordance with Section 6.6. Subject to the foregoing, a Participant may designate a new beneficiary at any time by filing with the Administrator a written request for such change on a form prescribed by the Administrator. Such change shall become effective only upon receipt of the form by the Administrator, but upon such receipt of the change shall relate back to and take effect as of the date the Participant signed such request, whether or not the Participant is living at the time of such receipt, provided, however, that neither the Trustee nor the Administrator shall be liable by reason of any payment of the Participant's Account made before receipt of such form.

14.7 "Board of Directors" means the Board of Directors of Raytheon Company.

14.8 "Business Day" means a day on which Fidelity is open for general business.

14.9 "Code" means the Internal Revenue Code of 1986, as amended.

14.10 "Company" means Raytheon Company but shall not include a Division, Operation or similar cohesive group of Raytheon Company excluded by the Board of Directors of Raytheon Company.

14.11 "Companies" means the Company and any Subsidiary of the Company which elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such a Subsidiary is approved by the Board of Directors of the Company, or an officer to whom authority to approve participation by a subsidiary is delegated by the Board of Directors, but shall not include any Division, Operation or similar cohesive group of a participating Subsidiary excluded by the Board of Directors of the Subsidiary and the Board of Directors of the Company.

14.12 "Designated Hourly Payroll" means an hourly payroll or portion thereof, processed in the United States, of one of the Companies which is designated in writing by the Administrator in accordance with nondiscriminatory and uniform rules as a payroll the Employees on which are eligible to participate in this Plan.

14.13 "Disability" means that the Participant is totally and permanently disabled by bodily injury or disease so as to be prevented from engaging in any occupation for compensation or profit. The determination of disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish disability or the continuation thereof.

14.14 "Early Retirement Date" means the first day of the month subsequent to the earliest date on which the Participant has both attained age 55 and completed a Period of Service of ten (10) years.

14.15 "Elective Deferral" means a voluntary reduction of Participant's compensation in accordance with Section 3.2 hereof.

14.16 "Eligible Compensation" means the base pay (including vacation, salary continuance and sick pay and pay for unused vacation), supervisory differentials, shift premiums and, effective January 1, 1985, and September 23, 1996, respectively, sales commissions and flight pay for pilots at Raytheon Aircraft Services, paid to a Participant by the Employer, excluding all other earnings from any source. Effective January 1, 1997, if the base pay of a Participant (who is not a regularly scheduled part-time employee) is less in any work week than the equivalent of 40 times the straight time hourly rate, overtime premium pay may be considered, but only to the extent total Eligible Compensation for such work week does not exceed 40 multiplied by the Participant's straight time rate determined on an hourly basis. Effective for Plan Years beginning on or after January 1, 1989 and prior to December 31, 1993,

in no event shall the amount of Eligible Compensation taken into account under the Plan for any Plan Year exceed $200,000 (or such larger amount as the Secretary of the Treasury may determine for such Plan Year under Section 401(a)(17) of the Code). Effective for Plan Years beginning on or after January 1, 1994, in no event shall the amount of Eligible Compensation taken into account under the Plan for any Plan Year exceed $150,000 (or such larger amount as the Secretary of the Treasury may determine for such Plan Year under Section 401(a)(17) of the Code). For purposes of this limitation only, in determining compensation the rules of Section 414(q)(6) of the Code shall apply, except that in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the Plan Year.

14.17 "Eligible Employee" means any Employee on a U.S. based Salaried or Designated Hourly Payroll of one of the Companies, excluding Employees in cooperative studies and intern programs, independent contractors reclassified as a result of an audit by a government agency as common law employees and all individuals performing services for the Companies who are paid through accounts payable, as distinguished from the payroll system, and, effective January 1, 1987, a person who is a Leased Employee.

14.18 "Employee" means any person performing compensated services for the Employer who meets the definition of "Employee" for income tax withholding purposes under Treas. Regs. 31.3401(c)-1 and any person who is a Leased Employee. This section shall be effective as of January 1, 1987.

14.19 "Employee Account" means that portion of Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.20 "Employer" means Raytheon Company and any Affiliate thereof.

14.21 "Employment Commencement Date" is the date on which the Employee first performs an Hour of Service with the Employer.

14.22 "Enrollment Agreement" means a salary reduction agreement pursuant to which an Eligible Employee voluntarily joins the Plan and authorizes deferral of a portion of the Participant's Eligible Compensation.

14.23 "Fidelity" means Fidelity Investments, the recordkeeper for the Plan.

14.24 "Fiduciary" means a named fiduciary and any other person or group of persons who assumes a fiduciary responsibility within the meaning of the Retirement Act under this Plan whether by expressed delegation or otherwise but only with respect to the specific responsibilities of each for the administration of the Plan and Trust Fund.

14.25 "Higher Paid Eligible Employee" means an individual described in Section 414(q) of the Code, after giving effect to subsection (12) thereof, and any regulation, notice or other guidance issued by the Internal Revenue Service thereunder. The determination of whether an individual is a Higher Paid Eligible Employee may be made by the Administrator on the basis of any elective provision permitted under such regulation, notice or other guidance. In general, an Employee will be considered a Higher Paid Eligible Employee if such individual:

(a) was a five percent owner as defined in Section 416(i)(1)(iii) of the Code at any time during the current or preceding Plan Year;

(b) received compensation in excess of $50,000 during the current or preceding Plan Year (adjusted annually for increases in the cost of living in accordance with Section 415(d) of the Code); or

(c) was at any time an officer within the meaning of Section 416(i) of the Code during the preceding Plan Year, and who received compensation in the current or preceding Plan Year greater than 50 percent of the dollar limitation in effect under Section 415(b)(1)(A) of the Code for such Plan Year. Notwithstanding the foregoing, no more than 50 or, if lesser, the greater of 3 employees or 10 percent of the Employees shall be treated as officers.

(d) An Employee who is not described in paragraph (b) or (c) above for the preceding Plan Year shall not be treated as described in paragraph (b) or (c) unless such Employee is one of the 100 Employees who receive the most compensation from the Employer during the Plan Year.

(e) A former Employee shall be treated as a Higher Paid Eligible Employee if such former Employee had a separation year prior to the Plan Year and was a Higher Paid Eligible Employee for either (1) such Employee's separation year or (2) any Plan Year ending on or after the Employee's 55th birthday. A separation year is the Plan Year in which the Employee separates from service.

(f) Notwithstanding anything to the contrary in this Plan, Sections 414(b), (c), (m), (n), and (o) of the Code are applied prior to determining whether an Employee is a High Paid Eligible Employee.

(g) "Non-Higher Paid Eligible Employee" shall mean an Employee who is neither a Higher Paid Eligible Employee nor a family member (within the meaning of Section 414(q)(6) of the Code).

(h) "Compensation" shall mean the Employee's wages which are required to be reported on IRS Form W-2, increased by any Elective Deferrals made by the Companies to the Plan on behalf of the Employee and any pre-tax elective contributions made by the Companies which are excludible from the Employee's income under Section 125 of the Code.

14.26 (a) "Hour of Service" means an hour with respect to which any Employee is paid, or entitled to payment, for the performance of duties for the Employer during the applicable computation period.

(b) "Hour of Service" shall include an hour for which the Employee is entitled to credit under subparagraph (a) hereof as a result of employment:

(i) with a predecessor company substantially all of the assets of which have been acquired by the Employer, provided that where only a portion of the operations of a company have been acquired, only service with said acquired portion prior to the acquisition will be included and that the Employee was employed by said predecessor company at the time of acquisition; or

(ii) with a Division, Operation or similar cohesive group of the Employer excluded from participation in the Plan.

(iii) with a predecessor contractor under the Integrated Range Engineering Contract (IRE) on Kwajalein Atoll or contracts covered by the Service Contract Act, provided that the Employee is in a Period of Service with such contractor on the day immediately preceding the Employee's Employment Commencement date or Reemployment Commencement Date, as applicable.

(c) To the extent applicable, the rules set forth in 29 CFR Sections 2530.200b-2(b) and (c) for computing an "Hour of Service" are incorporated herein by reference.

14.27 "Layoff" means an involuntary interruption of service due to reduction of work force with or without the possibility of recall to employment when conditions warrant.

14.28 "Leased Employee" means any person (other than an Employee) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or any related person as provided in Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year and such services are of the type historically performed by employees in the business field of the Employer. Leased Employees are not eligible to participate in the Plan. Notwithstanding the foregoing, if such "Leased Employees" constitute less than 20% of the nonhighly compensated workforce of the Employer within the meaning of Section 414(n)(5)(C)(ii) of the Code, the term "Employee" shall not include Leased Employees covered by a plan described in Section 414(n)(5) of the Code. This section shall be effective as of January 1, 1987.

14.29 "Limitation Year" means the calendar year or any other 12-consecutive-month period adopted for all qualified deferred compensation plans of the Company pursuant to a written resolution adopted by the Company.

14.30 "Matching Contribution" means contribution made to the Trust in accordanc with Section 3.7 hereof.

14.31 "Matching Contribution Account" means that portion of Participant's Account which is attributable to Matching Contributions by the Companies, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.32 "Net Annual Profits" means the current earnings of the Companies for the Plan Year determined in accordance with generally accepted accounting principles before federal and local income taxes and before contributions to this Plan or any other qualified plan.

14.33 "Net Profits" means the accumulated earnings of the Companies at the end of the Plan Year determined in accordance with generally accepted accounting principles. For the purposes hereof "accumulated earnings at the end of the Plan Year" shall include Net Annual Profits for such Plan Year calculated before any deduction is taken for depreciation, if any.

14.34 "Nonforfeitable" means an unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

14.35 "Normal Retirement Age" means the Participant's sixty-fifth (65th) birthday.

14.36 "Participant" means

(i) an individual who is enrolled in the Plan pursuant to Article II and

(ii)an individual who has transferred a Qualified Rollover Account into the Pla pursuant to Section 3.10(f) provided that the Participant in either category has not withdrawn the entire amount of his or her Account.

14.37 "Pay Period" means a scheduled period for payment of wages or salaries.

14.38 "Period of Participation" means that portion of a Period of Service during which the Eligible Employee was a Participant, and had an Employee Account in the Plan. For the purpose of determining a Period of Participation, participation in the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees and the Raytheon Employee Savings and Investment Plan shall be considered as participation in this Plan.

14.39 "Period of Service" means the period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date.

14.40 "Period of Severance" means the period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

14.41 "Plan" means the Raytheon Savings and Investment Plan as amended from time to time.

14.42 "Plan Year" means a calendar year, or a portion thereof occurring prior to the termination of the Plan.

14.43 "Qualified Non-Elective Contribution Account" means that portion of a Participant's Account which is attributable to Qualified Non-Elective Contributions received pursuant to Section 3.12, adjusted for withdrawals and distributions, and the earnings and losses attributable thereto.

14.44 "Reemployment Commencement Date" means the first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under Section 5.3 in determining whether a Participant has a Nonforfeitable right to his or her Matching Contribution Account.

14.45 "Retirement" means a Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

14.46 "Retirement Act" means the Employee Retirement Income Security Act of 1974, including any amendments thereto.

14.47 "Rollover Contribution Account" means that portion of a Participant's Account which is attributable to rollover contributions received pursuant to Section 3.10, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.48 "Salaried Payrolls" means the nonexempt salaried and the exempt salaried payrolls which are processed in the United States.

14.49 "Severance from Service" means the termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Authorized Military Leave of Absence or Disability.

14.50 "Severance from Service Date" means the earlier of:

(a) the date on which an Employee quits, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c) and (d) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than quit, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a Layoff as the result of a permanent plant closing, the Administrator may designate the date of Layoff or other appropriate date prior to the first anniversary of the first date of absence as the Severance From Service Date; or

(c) in the case of an Authorized Military Leave of Absence from which the Employee does not return prior to expiration of recall rights, "Severance from Service Date" means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, "Severance from Service Date" means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or quits (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date," for the sole purpose of determining the length of a Period of Service, shall mean the first anniversary of the quit or discharge; or

(f) in the case of an Employee who is absent from service beyond the first anniversary of the first day of absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Severance from Service Date shall be the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence is neither a Period of Service nor a Period of Severance; or

(g) in the case of an Employee whose employment is terminated by reason of the sale or divestiture of assets or stock of a business of one of the Companies, "Severance From Service Date" shall be the earlier of the first anniversary of the closing date of the transaction or the date the Employee dies or withdraws the entire amount of his or her Account.

14.51 "Subsidiary" means any corporation designated by the Board of Directors as a Subsidiary, provided that for the purposes of the Plan no corporation shall be considered a Subsidiary during any period when less than fifty percent (50%) of its outstanding voting stock is beneficially owned by the Company.

14.52 "Surviving Spouse" means a lawful spouse surviving the Participant as of the date of Participant's death.

14.53 "Trust Agreement" means the agreement between the Company and the Trustee, and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

14.54 "Trustee" means the Trustee and any successor trustees under the Trust Agreement.

14.55 "Trust Fund" means the cash, securities, and other property held by the Trustee for the purposes of the Plan.

14.56 "Valuation Date" means each Business Day.

14.57 Words used in either the masculine or feminine gender shall be read and construed so as to apply to both genders where the context so warrants. Words used in the singular shall be read and construed in the plural where they so apply.

EXHIBIT 4.4

RAYTHEON SAVINGS AND INVESTMENT PLAN FOR SPECIFIED HOURLY PAYROLL EMPLOYEES

Provisions in Effect as of May 5, 1998

ARTICLE I - PREAMBLE

The Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees, which became effective on June 30, 1986, provides employees with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Plan as determined by the employee and set aside for short-term and long-term needs of the employee. The Plan is applicable only to eligible employees who meet the requirements for participation on or after June 30, 1986.

It is intended that the Plan will comply with all of the requirements for a qualified profit sharing plan under Sections 401(a) and 401(k) of the Internal Revenue Code and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in Article XIV unless the context indicates otherwise.

The Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act and Title 29 of the Code of Federal Regulations, ss. 2550.404(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan and the Plan fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a participant or beneficiary.

The Plan as restated herein shall be effective as of July 1, 1994 or such other dates as may be specifically provided herein. The rights of former Employees whose Severance from Service Date occurred prior to the date of any amendment shall be governed by the terms of the Plan in effect on their Severance from Service Date except as otherwise provided herein.

ARTICLE II - ELIGIBILITY

2.1 Eligibility Requirements -- Each Eligible Employee may join the Plan as of the first Entry Date coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on the Employee's Commencement Date or Reemployment Commencement date, whichever is applicable, or any subsequent Entry Date selected by the Eligible Employee provided he or she continues in the same Period of Service or meets the requirements under Section 2.2.

2.2 Procedure for Joining the Plan -- Each Eligible Employee who meets the requirements of Section 2.1 may join the Plan by communicating with Fidelity in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Employee has designated: a percentage by which Participants' Eligible Compensation shall be reduced as an Elective Deferral in accordance with the requirements of Section 3.2, subject to the

nondiscrimination test described in Section 3.3; election of investment funds as described in Article IV; one or more Beneficiaries; and such other information as specified by Fidelity. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator in its discretion may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.3 Transfer to Position Not Covered by Plan -- If a Participant is transferred to another position with the Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan with respect to Elective Deferrals previously made but will no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with Fidelity and providing all of the information requested by Fidelity. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by Fidelity of the requested information.

ARTICLE III - CONTRIBUTIONS

3.1 Employer Contributions -- The Companies shall contribute to the Trust established under this Plan from Net Annual Profits or Net Profits an amount equal to the total amount of Elective Deferrals agreed to be made by the Companies pursuant to designation by Participants.

3.2 Elective Deferrals -- Elective Deferrals must be made in one percent (1%) increments with a minimum Elective Deferral of one percent (1%) of Eligible Compensation and a maximum Elective Deferral of seventeen percent (17%); provided, however, that effective for any Plan Year beginning on or after January 1, 1987, in no event may the amount of Elective Deferrals to the Plan, when taken into account with all other elective deferral (as defined in Code Section 402(g)) made by a Participant under any other plan maintained by the Employer, exceed $7,000 (adjusted for increases in the cost of living under Code Section 402(g)) in any calendar year. If a Participant participates in another plan or arrangement which is not maintained by the Employer and which permits elective deferrals in any calendar year and his total Elective Deferrals under the Plan and other plan(s) exceed $7,000 (as adjusted) in a calendar year, he may request to receive a distribution of the amount of the excess deferral (a deferral in excess of $7,000 (as adjusted)) that is attributable to Elective Deferrals to this Plan together with earnings thereon, notwithstanding any limitations on distributions contained in the Plan. Such distribution shall be made by the April 15 following the Plan Year in which the Elective Deferrals were made, provided that the Participant notifies the Administrator of the amount of the excess deferral that is attributable to Elective Deferrals to the Plan and requests such a distribution. The Participant's notice must be received by the Administrator no later than the March 1 following the Plan Year of the excess deferral. In the absence of such notice, the amount of such excess deferral attributable to Elective Deferrals to this Plan shall be subject to all limitations on withdrawals and distributions in the Plan. In addition to distributing excess deferrals at the request of the Participant, the

Administrator shall distribute any deferrals made under this Plan or any other plan of the Employer in excess of the statutory maximum deferral of $7,000 (as adjusted). For this purpose as provided in 26 CFR ss.1.402(g)-1(e)(2), a Participant is deemed to notify the Administrator of any excess deferrals that arise by taking into account only those Elective Deferrals made to this Plan and any other plans of this Employer and to request that such excess deferrals be distributed by the Plan Administrator. The distribution of excess deferrals will include any earnings or be reduced by any loss allocable to the excess deferrals pursuant to the Plan method of allocating earnings or losses and calculated to the last day of the Plan Year in which the excess deferrals were made.

The Administrator may establish prospectively lower limits for Higher Paid Participants for the purpose of complying with Internal Revenue Code requirements in an orderly manner.

3.3 Limitations on Elective Deferrals --

(a) In no event may Elective Deferrals made on behalf of all Higher Paid Eligible Employees with respect to any Plan Year result in an Actual Deferral Percentage for such group of Higher Paid Eligible Employees which exceeds the greater of (i) or (ii) where:

(i) is an amount equal to 125 percent of the Actual Deferral Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year; and

(ii) is an amount equal to the Actual Deferral Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year and two percent (2%), provided that such amount does not exceed 200 percent of such Actual Deferral Percentage.

(b) The Administrator shall be authorized to implement rules authorizing or requiring reductions in Elective Deferrals that may be made by Higher Paid Eligible Employees during the Plan Year (prior to any contributions to the Trust) so that the limitation of Section 3.3(a) is satisfied.

(c) The Company may in its discretion make Qualified Nonelective Contributions to the Accounts of certain Non-Higher Paid Eligible Employees to the extent required to satisfy the limitations of Section 3.3(a).

(d) If the limitation under Section 3.3(a) is exceeded in any Plan Year, the Excess Amounts made on behalf of Higher Paid Eligible Employees with respect to a Plan Year (and earnings allocable thereto) shall then be distributed to such Employees as soon as practicable after the end of such Plan Year, but no later than the last day of the immediately following Plan Year. The Excess Amounts distributed shall include Elective Deferrals and the income allocable thereto. The amount of income allocable to Excess Amounts shall be determined in accordance with the regulations issued under Section 401(k) of the Code and shall include income for the Plan Year for which the Excess Amounts were made. Any such distributions shall be reduced by the amount of any distributions made pursuant to Section 3.2 above.

(e) The Administrator may utilize any combination of the methods described in Sections 3.3(b), (c) and (d) to assure that the limitations of Section 3.3(a) are satisfied.

(f) For purposes of this Section 3.3, the following definitions and special rules shall apply:

(i) The term "Annual Earnings" means the Employee's wages which are required to be reported on IRS Form W-2 for the calendar year which coincides with the Plan Year.

(ii) The term "Actual Deferral Percentage" shall mean, with respect to any group of actively employed Eligible Employees who have satisfied the eligibility requirements of Article II for a Plan Year, the average of the ratios, calculated separately for each such Eligible Employee in the group, of:

(A) The amount of Elective Deferrals paid to the Trust Fund for such Plan Year, divided by

(B) The Eligible Employee's Annual Earnings, including any Elective Deferrals made by the Companies to the Plan on behalf of the Eligible Employee and any pre-tax elective contributions made by the Companies which are excludible from the Eligible Employee's income under Section 125 of the Code.

Elective Deferrals shall be taken into account for a Plan Year only if such amounts are allocated to the Eligible Employee's Account as of a date within that Plan Year. For this purpose, an Elective Deferral is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date and the Elective Deferral is actually paid to the Trust Fund no later than 12 months after the Plan Year to which the contribution relates.

(iii) The term "Excess Amounts" shall mean with respect to each Higher Paid Eligible Employee who has satisfied the eligibility requirements of Article II for a Plan Year, the amount equal to total Elective Deferrals made on behalf of such Employee (determined prior to the application of the leveling procedure described below) minus the product of the Employee's Actual Deferral Percentage (determined after the leveling procedure described below) multiplied by the amount specified in Section 3.3(f)(ii)(B) above. In accordance with the regulations issued under Section 401(k) of the Code, Excess Amounts shall be determined by a leveling procedure under which the Actual Deferral Percentage of the Higher Paid Eligible Employee with the highest such percentage shall be reduced to the extent required to enable the limitation of Section 3.3(a) to be satisfied or, if it results in a lower reduction, to the extent required to cause such Higher Paid Eligible Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Higher Paid Eligible Employee with the next highest Actual Deferral Percentage. This leveling procedure shall be repeated until the limitation of Section 3.3(a) is satisfied.

(iv) The term "Qualified Nonelective Contributions" means contributions that are made pursuant to Sections 3.3(c), 3.8(c) or 3.12, meet the requirements of Section 401(m)(4)(C) of the Code and the regulations issued thereunder, and which are designated as a Qualified Nonelective Contribution for purposes of satisfying the limitations of Sections 3.3(c), 3.8(c) or 3.12. Qualified Nonelective Contributions shall be nonforfeitable when made and are distributable only in accordance with the distribution and withdrawal provisions that are applicable to Elective Deferrals under the Plan; provided, however, that Qualified Nonelective Contributions may not be withdrawn on account of financial hardship. If any Qualified Nonelective Contributions are made, the Company shall keep such records as necessary to reflect the amount of such contributions made for purposes of satisfying the limitations of Sections 3.3(c), 3.8(c) or 3.12.

(v) In the event the Companies maintain two or more plans that are treated as a single plan for purposes of Sections 401(a)(4) and 410(b) of the Code (other than Section 410(b)(2)(A)(ii) of the Code), all elective deferrals made under the two plans shall be treated as made under a single plan, and if two or more of such plans are permissively aggregated for purposes of Section 401(k) of the Code, such plans shall be treated as a single plan for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code.

(vi) In determining the Actual Deferral Percentage of a Higher Paid Eligible Employee, all cash or deferred arrangements in which such Higher Paid Eligible Employee is eligible to participate shall be treated as a single arrangement.

(vii) The family aggregation rules of Section 414(q)(6) of the Code shall apply to any Higher Paid Eligible Employee who is a five percent owner or one of the ten most highly compensated Higher Paid Eligible Employees. The Actual Deferral Percentage for the family group, which is treated as one Higher Paid Eligible Employee, is the Actual Deferral Percentage determined by combining the contributions and compensation of all eligible Family Members. Except to the extent taken into account in this Paragraph (vii), the contributions and compensation of all Family Members are disregarded in determining the Actual Deferral Percentages for all Employees.

(g) The limitations of this Section 3.3 shall apply to Plan Years beginning on or after January 1, 1987 and shall be separately applied to those Eligible Employees who are included in a unit of Employees covered by a collective bargaining agreement, and to those Eligible Employees who are not included in such a collective bargaining unit.

3.4 Reinstatement of Reduced Amounts -- Any reduction effected pursuant to Section 3.3 will remain in effect for the remainder of the Plan Year in which the reduction occurs and will not be automatically reinstated. A Participant whose Elective Deferral has been reduced may elect to increase his or her Elective Deferral effective as of any Entry Date subsequent to notice from the Administrator that Elective Deferrals may be increased as of a specified Entry Date. This election must be made in accordance with the procedure described in Section 3.5.

3.5 Change in Elective Deferrals -- Except as provided in Sections 3.3 and 3.4, any Participant may change his or her Elective Deferral percentage to increase or decrease said percentage by notifying Fidelity, such change to take effect as of the next administratively feasible Pay Period.

3.6 Voluntary Reduction of Elective Deferral to Zero -- Notwithstanding the notice requirements specified in Section 3.5, any Participant may elect to reduce the level of the Participant's Elective Deferral to zero as of the beginning of any Pay Period. The reduction will take effect as soon as practicable following telephone notification by the Participant to Fidelity. A Participant who has reduced his or her Elective Deferral to zero may again make Elective Deferrals as of the next administratively feasible Pay Period subsequent to telephone notification to Fidelity.

3.7 Matching Contributions -- For each Plan Year, commencing on or after January 1, 1987, subject to limitations imposed by the Internal Revenue Code, the Companies will match from Net Annual Profits or Net Profits the Elective Deferral of each Participant at the rate of one-half (1/2) of the Participant's Elective Deferral on an annual basis, provided that for any Pay Period the matching amount shall not exceed three percent (3%) of the Participant's Eligible Compensation for that pay period.

3.8 Limitations on Matching Contributions --

(a) In no event may the Matching Contributions made on behalf of all Higher Paid Eligible Employees, or forfeitures allocated to the Accounts of such Employees, who have satisfied the eligibility requirements of Article II with respect to any Plan Year, result in an Actual Contribution Percentage for such group of Higher Paid Eligible Employees which exceeds the greater of (i) or (ii) where:

(i) is an amount equal to 125 percent of the Actual Contribution Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year; and

(ii) is an amount equal to the Actual Contribution Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year and two percent (2%), provided that such amount does not exceed 200 percent of such Actual Contribution Percentage. (b) The Administrator shall be authorized to implement rules authorizing or requiring reductions in Matching Contributions that may be made by Higher Paid Eligible Employees during the Plan Year (prior to any contributions to the Trust Fund), so that the limitation of Section 3.8(a) is satisfied.

(c) The Company may in its discretion make Qualified Nonelective Contributions to the accounts of certain Non-Higher Paid Eligible Employees to the extent required to satisfy the limitations of Section 3.8(a).

(d) If the limitation under Section 3.8(a) is exceeded in any Plan Year, the Excess Amounts made on behalf of Higher Paid Eligible Employees with respect to a Plan Year (and earnings allocable thereto) shall then be distributed to such Higher Paid Eligible Employees as soon as practicable after the end of such Plan Year (or, if forfeitable under the terms of the Plan, forfeited), but no later than the last day of the immediately following Plan Year. The Excess Amounts distributed shall include both the Matching Contributions and the income allocable thereto. The amount of income allocable to Excess Amounts shall be determined in accordance with the regulations issued under Section 401(m) of the Code and shall include income for the Plan Year to which the Excess Amounts relate.

(e) Elective Deferrals and Matching Contributions shall be further limited to the extent required to prevent prohibited multiple use of the alternative limitation described in Sections 401(k)(3)(A)(ii)(II) and 401(m)(2)(A)(ii) of the Code and the provisions of Reg. ss.1.401(m)-2(b) and any further guidance issued thereunder. If such multiple use occurs, the Actual Contribution Percentage for all Higher Paid Eligible Employees (determined after applying the foregoing provisions of this Section 3.8) shall be reduced in accordance with Reg. ss.1.401(m)-2(c) and any further guidance issued thereunder in order to prevent such multiple use of the alternative limitation.

(f) The Administrator may utilize any combination of the methods described in Sections 3.8(b), (c) and (d) to assure that the limitations of Sections 3.8(a) and (e) are satisfied.

(g) For purposes of this Section 3.8, the following definitions and special rules shall apply: (i) The term "Annual Earnings" shall have the meaning specified in Section 3.3(f)(i).

(ii) The term "Actual Contribution Percentage" shall mean, with respect to any group of actively employed Eligible Employees who have satisfied the eligibility requirements of Article II for a Plan Year, the average of the ratios, calculated separately for each such Eligible Employee in the group, of:

(A) The amount of Matching Contributions paid to the Trust Fund for such Plan Year on behalf of the Eligible Employee plus the amount of forfeitures allocated to the Eligible Employee's Account, divided by

(B) The Eligible Employee's Annual Earnings, including any Elective Deferrals made by the Companies to the Plan on behalf of the Eligible Employee or any pre-tax election contributions under a "cafeteria plan" (as defined in Section 125 of the Code and applicable regulations) maintained by the Companies for such Plan Year. Matching Contributions and forfeitures shall be taken into account for a Plan Year only if such amounts are allocated to the Eligible Employee's Account as of a date within that Plan Year, such amounts are actually paid to the Trust no later than 12 months after the Plan Year to which the contribution relates and such amounts are contributed on account of Elective Deferrals for such Plan Year.

(iii) The term "Excess Amounts" shall mean with respect to each Higher Paid Eligible Employee, the amount equal to the total Matching Contributions made on behalf of the Eligible Employee together with the forfeitures allocated to the Eligible Employee's Account (determined prior to the application of the leveling procedure described below) minus the product of the Eligible Employee's Actual Contribution Percentage (determined after the leveling procedure described below) multiplied by the amount specified in Section 3.8(g)(ii)(B) above. In accordance with the regulations issued under Section 401(m) of the Code, Excess Amounts shall be determined by a leveling procedure under which the Actual Contribution Percentage of the Higher Paid Eligible Employee with the highest such percentage shall be reduced to the extent required to enable the limitation of Section 3.8(a) to be satisfied or, if it results in a lower reduction, to the extent required to cause such Higher Paid Eligible Employee's Actual Contribution Percentage to equal the Actual Contribution Percentage of the Higher Paid Eligible Employee with the next highest Actual Contribution Percentage. This leveling procedure shall be repeated until the limitation of Section 3.8(a) is satisfied.

(iv) The term "Qualified Nonelective Contributions" shall have the meaning specified in Section 3.3(f)(iv).

(v) In the event the Companies maintain two or more plans that are treated as a single plan for purposes of Sections 401(a)(4) and 410(b) of the Code (other than Section 410(b)(2)(A)(ii) of the Code), all Matching Contributions and forfeitures under the two plans shall be treated as made under a single plan, and if two or more of such plans are permissibly aggregated for purposes of Section 401(m) of the Code, such plans shall be treated as a single plan for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code.

(vi) In determining the Actual Contribution Percentage of a Higher Paid Eligible Employee, all plans in which such Higher Paid Eligible Employee is eligible to participate shall be treated as a single arrangement.

(vii) The family aggregation rules of Section 414(q)(6) of the Code shall apply to any Higher Paid Eligible Employee who is a five percent owner or one of the ten most highly compensated Higher Paid Eligible Employees. The Actual Contribution Percentage for the family group, which is treated as one Higher Paid Eligible Employee, is the Actual Contribution Percentage determined by combining the contributions and compensation of all eligible Family Members. Except to the extent taken into account in this Paragraph (vii), the contributions and compensation of all Family Members are disregarded in determining the Actual Contribution Percentages for all Employees. (h) The limitations of this Section 3.8 shall apply to Plan Years beginning on or after January 1, 1987, and shall apply only to those Eligible Employees who are not included in a unit of employees covered by a collective bargaining unit.

3.9 Forfeitures --

(a) In the event that a Participant incurs a Severance from Service prior to attaining a Nonforfeitable right to the Participant's Matching Contribution, the Matching Contribution Account will be forfeited as of the first day of the month immediately following the earliest of: (i) the date on which the Participant incurs a Period of Severance of five consecutive years; (ii) death; or (iii) the date on which the Participant's Employee Account is distributed in accordance with Article VI. Forfeitures of Matching Contributions will be used to reduce future contributions of the Companies to the Plan.

(b) If, in connection with his Severance from Service, a Participant received a distribution of his Employee Account when he did not have a Nonforfeitable right to his Matching Contribution Account, the Matching Contributions that were forfeited, unadjusted by any subsequent gains or losses, shall be restored if he again becomes an Employee prior to incurring a Period of Severance of five consecutive years, performs an Hour of Service, and repays the full value of his prior distributions, unadjusted for subsequent gains and losses, before the first to occur of (i) the end of the five year period beginning with the date he again becomes an Employee or (ii) the date on which he incurs a Period of Severance of five consecutive years.

3.10 Rollover Contributions and Transfers --

(a) Effective April 1, 1991, Participants may transfer into the Plan qualifying rollover amounts (as defined in Section 402 of the Code) received from other qualified plans subject to Section 401(k) or Section 401(m) of the Code; qualified defined contribution pension or profit sharing plans, provided that no federal income tax has been required to have been paid previously on such amounts; or rollover contributions from an individual retirement account described in Section 408(d)(3)(ii) of the Code (referred to herein as a "conduit IRA"); or rollover contributions from the Raytheon Stock Ownership Plan for Specified Hourly Payroll Employees by former Participants in that plan who have incurred a Severance from Service. Such transfers will be referred to as "rollover contributions" and will be subject to the following conditions:

(i) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from another qualified Section 401(k) or Section 401(m) plan or, in the event that the funds are transferred from a conduit IRA, no later than sixty (60) days from the date that the Participant receives such funds from the individual retirement account, subject, however, to (v) below where applicable;

(ii) the amount of such rollover contributions shall not exceed the limitations set forth in Section 402 of the Code;

(iii) rollover contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to Article VII;

(iv) rollover contributions may be distributed at the request of the Partici-pant, subject to the same administrative procedures as apply to other distributions;

(v) rollover contributions transferred pursuant to this Section 3.10 shall be credited to the Participant's Rollover Contribution Account. Rollover contributions will be invested upon receipt by the Trustee;

(vi) no rollover contribution will be accepted unless (a) the Employee on whose behalf the rollover contribution will be made is either a Participant or has notified the Administrator that he intends to become a Participant on the first date on which he is eligible therefor, or was a former Participant in the Raytheon Stock Ownership Plan for Specified Hourly Payroll Employees and the entire amount of the rollover contribution is comprised of the Participant's account in that plan; and (b) all required information, including selection of specific investment accounts, is provided to Fidelity. When the rollover contribution has been deposited, any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in Sections 4.2 and 4.3. (b) Effective January 1, 1993, Participants may direct that "eligible rollover distributions," as defined in Section 402(c) of the Code, be transferred directly to the Plan. Rules similar to those applicable to "rollover contributions" shall apply to amounts transferred directly to the Plan.

(c) Participants who are also covered under the Raytheon Stock Ownership Plan or the Raytheon Stock Ownership Plan for Specified Hourly Payroll Employees and who are entitled to diversify their accounts under either of such plans, may direct that the portion of their account which is eligible for diversification under such plan be transferred to the Plan. Rules similar to those applicable to "rollover contributions" shall apply to amounts transferred to this Plan except that such transferred amounts shall not be eligible for loans or withdrawals.

(d) Effective April 1, 1997, an Eligible Employee may transfer into the Plan qualified rollover amounts (as defined in Section 401 of the Code) received from other qualified plans subject to Section 401(k) or Section 401(m) of the Code without regard to whether the Eligible Employee has completed a Period of Service of three (3) consecutive months commencing on the Employment Commencement Date or Reemployment Commencement Date as applicable.

3.11 Refund of Contributions to the Companies -- Notwithstanding the provisions of Article XII, if, or to the extent that, the Companies' deductions for contributions made to the Plan are disallowed, the Companies will have the right to obtain the return of any such contributions for a period of one year from the date of disallowance. For this purpose, all Elective Deferrals and Matching Contributions are made subject to the conditions that they are deductible under the Code for the taxable year of the Companies for which the contribution is made. Furthermore, any contribution made by the Companies on the basis of a mistake in fact may be returned to the Companies within one year from the date such contribution was made.

3.12 Qualified Non-Elective Contributions -- Specified Amounts -- Each of the Companies may make contributions to the Plan on behalf of eligible Employees, provided that the name of the unit, the effective date of such contributions and the specified amount are set forth on Appendix B hereto. Such contributions shall be Qualified Non-Elective Contributions as defined in Section 3.3(f)(iv) and shall be included in determining the actual deferral percentage under Section 3.3. If the contributions described in this Section 3.12 are made on behalf of an Employee who is not a Participant, an Account shall be established for such Employee and the Employee shall have the right to elect investment options under Section 4.1. If the Employee does not make a valid election in which investment options are designated for 100% of the Participant's Account, then 100% of the Participant's Account shall be invested in Fund B, a fixed income fund. The Employee may, in accordance with Sections 4.2 and 4.3, change the investment allocation for future deferrals and transfer account balances between investment funds.

ARTICLE IV - INVESTMENT OF ACCOUNTS

4.1 Election of Investment Funds -- Upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Employee Account and Matching Contribution Account be invested in increments of one percent (1%) in one or more of the following investment funds:

Fund A - an equity fund designated by the Administrator;
Fund B - a fixed income fund designated by the Administrator;
Fund C - Raytheon Company common stock fund;
Fund D - a stock index fund designated by the Administrator;
Fund E - a balanced fund designated by the Administrator;
Fund F - a growth fund, designated by the Administrator, investing primarily in equities of companies of all types and sizes;
Fund G - a growth fund, designated by the Administrator, investing primarily in equities of well-known and established companies.

In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion. Each election will apply to both accounts so that the Employee Account and Matching Contribution Account of the Participant will be invested in the same percentages in the one or more investment funds selected by the Participant.

4.2 Change in Investment Allocation of Future Deferrals -- Each Participant may elect to change the investment allocation of future Elective Deferrals, Matching Contributions and rollover contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to Fidelity. Any changes must be made either in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3 Transfer of Account Balances Between Investment Funds -- Each Participant may elect to transfer all or a portion of the amount in the Participant's Employee Account, Matching Contribution Account and Rollover Contribution Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to Fidelity. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to Fidelity. In determining the amount of the transfer, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day.

4.4 Ownership Status of Funds -- The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D and E and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D and E, and such other funds as may be established by the Administrator, in a cash amount and shall reflect each Participant's portion of Fund C in cash and unitized shares of stock.

4.5 Voting Rights -- Participants whose Account has shares of participation in the Raytheon Company Common Stock Fund on the last business day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in the Raytheon Common Stock Fund by the closing price of Raytheon Common Stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote Participant's shares as recommended by management. In addition, each Participant shall have the right to accept or reject any tender or exchange offer for shares of common stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of Raytheon Common Stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from individual Participants shall be held in confidence by the Trustee and shall not be divulged to the Companies or to any officer or employee thereof or to any other person.

ARTICLE V - VESTING

5.1 Employee, Rollover Contribution and Qualified Non-Elective Contribution Accounts -- Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Employee, Rollover Contribution and Qualified Non-Elective Contribution Accounts.

5.2 Matching Contribution Account -- Each Participant shall have a Nonforfeitable right to the Participant's Matching Contribution Account upon the earliest of:

(a) Completion of a Period of Service of five (5) years commencing on or after June 30, 1986 (for purposes of determining the length of a Period of Service under this paragraph only, vesting service credited to an Employee under Section 6.2(b) of the Speed Queen Company Retirement Savings Plan will be credited to an Eligible Employee regardless of whether such vesting service was earned prior to June 30, 1986); or

(b) Completion of a Period of Participation of three (3) years subsequent to fulfillment of the eligibility requirements in Section 2.1;

(c) The Participant's Retirement, death while an Employee, Disability or attainment of Normal Retirement Age; or

(d) The date of layoff of Participants laid off as a result of the permanent closing of the Oxnard plant.

(e) September 10, 1997 (or such other date on which the merger of Raytheon Appliances, Inc. with Goodman Manufacturing Company, L.P. is closed), for those Employees who are employed by Raytheon Appliances, Inc. as of such date and who did not become Employees of Raytheon Commercial Laundry, L.L.C. as of September 11, 1997 (or, if different, the day immediately following the closing of the merger of Raytheon Appliances, Inc. and Goodman Manufacturing Company, L.P.).

(f) May 5, 1998, for those Participants employed as of such date by Raytheon Commercial Laundry, LLC. in the bargaining unit at Raytheon Commercial Laundry, LLC.'s plants in Ripon and Omro, Wisconsin, represented by Local 1327, United Steelworkers of America.

Notwithstanding anything in the Plan to the contrary, if the rate of Matching Contributions, determined after application of the corrective mechanisms described in Section 3.3, discriminates in favor of Higher Paid Eligible Employees, any such amounts attributable to any Excess Amounts (as described in Subsection 3.3(f)(iii)) of each affected Higher Paid Eligible Employee shall be forfeited so that the rate of Matching Contribution is nondiscriminatory. Any such forfeitures shall be made no later than the end of the Plan Year following the Plan Year for which the Matching Contribution was made and shall be treated in accordance with Section 3.9.

5.3 Break in Service Rules

(a) Periods of Service -- In determining the length of a Period of Service, the Administrator shall include all Periods of Service, except the following Periods of Service shall not be taken into account:

(i) a Period of Service prior to a Period of Severance of twelve (12) months or more, unless subsequent to said Period of Severance the Participant completes a Period of Service of at least twelve (12) months; and

(ii) in the case of a Participant who has incurred a Period of Severance which equals or exceeds five years, the Period of Service after such Period of Severance shall not be taken into account for purposes of determining the nonforfeitable interest of such Participant in the Matching Contributions allocated to his Account prior to such Period of Severance.

(b) Periods of Severance -- In determining the length of a Period of Service for purposes of Section 14.39, the Administrator shall exclude all Periods of Severance, except that in the event a Participant returns from a quit, discharge, or Retirement, within twelve (12) months from the earlier of:

(i) the date of the quit, discharge, or Retirement, or

(ii) if the Participant was absent from employment for reasons such as layoff or Authorized Leave of Absence on the day of the quit, discharge, or Retirement, the first day of such absence, the period of absence will be included as a Period of Service.

(c) Other Periods -- In making the determinations described in subsections (a) and (b) of this Section 5.3, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE VI - WITHDRAWALS AND DISTRIBUTIONS

6.1 In-Service Withdrawals - Matching Contributions -- Upon completion of a Period of Participation of five (5) years, a Participant may withdraw, subject to both a minimum withdrawal amount of $250 and the requirement that a Participant may withdraw no more than twice during a Plan Year, if no loans are outstanding, all or part of the Participant's Matching Contribution Account. Withdrawals will be based upon the value of the Account as determined under Section 6.8. Withdrawals from Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, will be made in cash; withdrawals from Fund C will be made in cash or stock (with cash for fractional or uninvested shares) as directed by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Matching Contribution Account.

6.2 In-Service Withdrawal - Employee and Qualified Non-Elective Contribution Accounts -- While in a Period of Service, a Participant may withdraw assets from his or her Account as follows:

(i) all or a portion of the Participant's Employee Account and Qualified Non-Elective Contribution Account upon attainment of age 59 1/2; or

(ii) a distributable amount (as defined in Treas. Reg. ss. 1.401(k)-1(d)(2)) on account of a hardship as defined in the regulation. A distribution is made on account of a hardship only if the distribution both is made on account of an immediate and heavy financial need of the Participant and is necessary to satisfy the financial need. In determining the amount required to satisfy the financial need, the Administrator shall take into account the federal, state and local income taxes or penalties reasonably anticipated to result from the withdrawal. The distributable amount is equal to the Participant's total Elective Deferrals as of the date of distribution reduced by the amount of previous distributions on account of hardship and increased by that portion of income allocable to Elective Deferrals which was credited to the Participant's Account as of December 31, 1988. Withdrawals from the Employee and Qualified Non-Elective Contribution Accounts of less than $250 will not be permitted. Withdrawals will be based upon the value of the Account as determined under Section 6.8 and will be effected by telephone notice to Fidelity. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, will be made in cash; withdrawals from Fund C will be made in cash or stock (with cash for fractional or unissued shares), as elected by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Employee Account.

6.3 In-Service Withdrawal - Rollover Contribution Account -- A Participant may withdraw all or a portion of the Participant's Rollover Contribution Account. Withdrawals will be based upon the value of the account as determined under Section 6.8 and will be effected by telephone notice to Fidelity. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D E, F and G will be made in cash. Withdrawals from Fund C will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

6.4 Requirements For Financial Hardship Withdrawals --

(a) A Participant requesting a withdrawal of the distributable amount of the Participant's Employee Account due to reasons of immediate and heavy financial need must submit such documentation or information in other form as required by the Administrator and shall advise Fidelity by telephone notice or such other means as established by the Administrator's rules then in effect of the existence of an immediate and heavy financial need and the fact that the need will be satisfied by the requested distribution.

(b) The Participant shall represent that this financial need cannot be satisfied by any of the following sources: through reimbursement or compensation by insurance or otherwise; by liquidation of the Participant's assets; by cessation of Elective Deferrals under the Plan; or by other distributions or non-taxable (at the time of the loan) loans currently available from plans maintained by the Employer or by any other employer, or by borrowing from commercial sources on reasonable commercial terms.

(c) For purposes of Section 6.2, "immediate and heavy financial need" is limited to financial need arising from the following specific causes: expenses for medical care (as described in Section 213(d) of the Code) previously incurred by the Participant, the Participant's spouse or any dependents (as defined in Section 152 of the Code) of the Participant, or which are necessary for these persons to obtain medical care described in Section 213(d) of the Code; costs directly related to the purchase of a principal residence for the Participant (excluding mortgage payments); payment of tuition and related educational expenses for the next twelve months of post-secondary education for the Participant, or the Participant's spouse, children or dependents (as defined in Section 152); expenses relating to the need to prevent the eviction from or foreclosure on the Participant's principal residence; or any other circumstances, as determined by the Administrator based upon all the relevant facts, establishing substantial justification for the withdrawal.

(d) If a Participant receives a withdrawal for reasons of financial hardship, his or her Elective Deferrals shall be reduced to six percent (6%), if in excess thereof as of the date of distribution, and shall not be increased during the twelve months immediately subsequent to the date of distribution.

6.5 Redeposits Prohibited -- No amount withdrawn pursuant to Section 6.1, Section 6.2 or Section 6.3 may be redeposited in the Plan.

6.6 Distribution -- Distribution of the Participant's Employee, Rollover Contribution and Qualified Non-Elective Contribution Accounts and, if the Participant has a Nonforfeitable right to his or her Matching Contribution Account pursuant to Section 5.2, the Matching Contribution Account, will be made at the direction of the Participant (or his legal representative or Beneficiary in the case of his Disability or death) upon the Retirement, Disability (as defined in Section 14.13), death, or Severance from Service (as defined in Section 14.49) of the Participant. In the event the Participant dies or his Severance from Service occurs after his Normal Retirement Age, or if the value of the Nonforfeitable portion of the Participant's Account as of the Valuation Date which coincides with or immediately precedes the date of distribution is not in excess of $3,500, the Administrator shall cause the distribution to automatically be made. Payment will be made in the form of a lump sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right) which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant to Fidelity for the distribution. Distributions will be based upon the Value of the Account as determined under Section 6.8. Distribution of the amounts in said accounts in the funds designated in Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, will be made in cash. Distribution of any amount in said accounts in Fund C (Raytheon Company stock) will be made in either cash or, if elected by the Participant or, in the case of death, the Participant's Beneficiary, stock. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of a Participant's Account is to be made, such payment shall be made in a lump sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary

notwithstanding: the Participant's (a) spouse, (b) children and issue of deceased children by right of representation, (c) parents, (d) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (e) executors or administrators. If no Beneficiary can be located during a period of seven (7) years from the date of death, the amount of the distribution shall revert to the Trust and be treated in the same manner as a forfeiture under Section 3.8.

Except as provided in Section 401(a)(9) of the Code as set forth in this Section, benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(1) attainment by the Participant of Normal Retirement Age;

(2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or

(3) Participant's Severance from Service.

If the amount of the benefit payable to a Participant has not been ascertained by the sixtieth (60th) day after the close of the Plan Year in which the latest of the three events described in clauses (1), (2) and (3) above occurred, or Participant cannot be located after reasonable efforts to do so, then payment retroactive to said sixtieth (60th) day after the close of the Plan Year in which the latest of the three events occurred may be made no later than sixty (60) days after the later of the earliest date on which the amount of such payment can be ascertained under the Plan or the earliest date on which the Participant is located.

To the extent required by Section 401(a)(9) of the Code, distributions of Participants' Accounts will be made with respect to Participants who attain age 70 1/2.

In the event amounts are transferred to this Plan from another plan qualified under Section 401(a) of the Code (other than amounts described in Section 3.10(b)), any distribution or withdrawal rights available to the Participant under such other plan which are protected under Section 411(d)(6) of the Code shall be available to the Participant under this Plan.

6.7 Direct Rollovers -- Effective January 1, 1993, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this paragraph, the following terms shall have the following meanings:

(a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income.

(b) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code or a qualified trust described in Section 401(a) of the Code that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, the term is limited to an individual retirement account or individual retirement annuity.

(c) Distributee: A distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(d) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

6.8 Determination of Amount of Withdrawal or Distribution -- In determining the amount of any withdrawal or distribution hereunder, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day.

6.9 Sale or Divestiture of Business -- Notwithstanding the provisions of Section 14.50(g), a Participant whose employment is terminated by reason of the sale or divestiture of assets or stock of a business may withdraw part or all of his or her Account if otherwise permitted by law.

ARTICLE VII - LOANS

7.1 Availability of Loans - Effective as of the date shown on Appendix A which is applicable to the bargaining unit in which Participant is employed, Participants may borrow against all or a portion of the balance in the Participant's Employee Account and Rollover Contribution Account subject to the restrictions set forth in this Article. Participants who have incurred a Severance from Service will not be eligible for a Plan loan. The Vice President, Human Resources, is authorized to administer this loan program and may establish uniform and equitable rules to resolve issues not specifically covered in this Article.

7.2 Minimum Amount of Loan - No loan of less than $500 will be permitted.

7.3 Maximum Amount of Loan - No loan in excess of fifty percent (50%) of the aggregate value of a Participant's Employee Account and Rollover Contribution Account and the Nonforfeitable portion of Participant's Matching Contribution Account balances will be permitted. In addition, the limits imposed by the Internal Revenue Code and any other requirements of applicable statute or regulation will be applied. Under the current requirements of the Internal Revenue Code, if the aggregate value of a Participant's Employee Account and Rollover Contribution Account and Nonforfeitable portion of the Matching Contribution Account exceeds $20,000, the loan cannot exceed the lesser of one-half (1/2) the Nonforfeitable aggregate value or $50,000 reduced by the excess of (a) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan was made over (b) the outstanding balance of loans from the Plan on the date on which such loan was made.

7.4 Effective Date of Loans -- Loans will be effective as specified in the Administrator's rules then in effect.

7.5 Repayment Schedule - The Participant may select a repayment schedule of 1, 2, 3, 4 or 5 years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to 15 years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Companies, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump sum. The minimum repayment amount per pay period is $10 for Participants paid weekly and $50 for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan.

7.6 Limit on Number of Loans -- No more than two loans may be outstanding at any time.

7.7 Interest Rate -- The interest rate for a loan pursuant to this Article will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective at any time during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective at any time during the period January 1 through June 30 thereafter.

7.8 Effect Upon Participants Employee Account -- Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Accounts in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Matching Contribution Account; Employee Account; and Rollover Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in the reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9 Effect of Severance From Service and Non-Payment -- In the event that a loan remains outstanding upon the Severance from Service of a Participant, the Participant will be given the option on continuing to repay the outstanding loan. In any case where payments on the outstanding loan are not made within ninety (90) days of the Participant's Severance from Service Date, the amount of any unpaid principal will be deducted from the Participant's Account and reported as a distribution. If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after Participant returns to active employment, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension. In the event the Participant does not return to active employment with the Employer, the Participant will be given the option of continuing to repay the outstanding loan. If the Participant fails to resume payments on the loan, the outstanding loan will be reported as a distribution. In no event, however, shall the loan be deducted from the Participant's Account earlier than the date on which the Participant (i) incurs a Severance from Service or (ii) attains age 59-1/2.

ARTICLE VIII - LIMITATIONS OF SECTION 415 OF THE CODE

8.1 Maximum Permissible Amount of a Participant's Annual Addition -- The total for any Limitation Year of the annual additions to a Participant's Account under this Plan when added to the annual additions to a Participant's account under any qualified defined contribution plan maintained by the Employer shall not exceed the lesser of (i) twenty-five percent (25%) of total compensation from the Employer, and (ii) $30,000 or, if greater, one-fourth of the defined benefit dollar limitation set forth in Section 415(b)(1) of the Code as in effect for the Limitation Year.

For purposes of this Section 8.1, the term "annual addition" shall mean, with respect to any Limitation Year, Matching Contributions, Qualified Nonelective Contributions, forfeitures and Elective Deferrals to this Plan, plus the sum of the following amounts allocable for such Plan Year to the Participant's accounts in all other qualified plans maintained by the Employer in which he participates: (1) employer contributions (including pre-tax contributions), (2) forfeitures which have been reallocated to the Participant's account, (3) Participant after-tax contributions; and (4) amounts described in Sections 415(l)(1) and 419A(d)(2) of the Code.

For purposes of this Section 8.1, the term "compensation" shall mean all amounts paid to an Employee for personal services actually rendered to the Companies and Affiliates, including, but not limited to, wages, salary, commissions, bonuses, overtime and other premium pay as specified in Reg. ss.1.415-2(d)(2), but excluding deferred compensation, stock options, and other distributions which receive special tax treatment as specified in Reg. ss.1.415-2(d)(3).

8.2 Reduction of Annual Additions -- In the event it is determined that the annual additions to a Participant's Account under this Plan or any other qualified defined contribution plan maintained by the Employer for any limitation year would be in excess of the limitations of Section 8.1, such annual additions shall be reduced to the extent necessary to bring them within such limitations. If, as a result of the allocation of forfeitures, a reasonable error in estimating a Participant's Eligible Compensation, a reasonable error in determining the amount of Elective Deferrals that may be made with respect to any Participant, or under other limited facts and circumstances which the Internal Revenue Service finds justify the availability of the remedies contained herein, the Administrator, in coordination with the administrator of any other defined contribution plan maintained by the Employer, shall reduce the annual additions which have been made to a Participant's Account to the acceptable limit by the following procedures, on a pro rata basis, in the following order:

(a) by returning to the Participant any voluntary or mandatory Employee contributions made to the Raytheon Support Services Company Money Accumulation Plan or any other defined contribution plan maintained by the Employer;

(b) to the extent the limitation is still exceeded, Elective Deferrals to this Plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be distributed to the Participant; and

(c) to the extent such limitation is still exceeded, any Qualified Non-Elective Contribution to Participant's account in this Plan or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be reduced to the extent necessary to reduce annual additions to the acceptable limit;

(d) to the extent the limitation is still exceeded, any Matching Employer Contributions to this Plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be reduced to the extent necessary to decrease Participant's annual additions to the acceptable limit;

(e) to the extent the limitation is still exceeded, excess annual additions in the Participant's Account in the Raytheon Stock Ownership Plan (RAYSOP) shall be used to reduce allocations for the next Limitation Year (and succeeding Limitation Years, as necessary) for that Participant if the Participant is covered by the plan at the end of such Limitation Year. In the event the Participant is not covered by such plan at the end of the Limitation Year, any excess annual additions which remain must, as provided in Reg. ss.1.415-6(b)(6)(ii), be held unallocated in a suspense account for the Limitation Year and reallocated in the next Limitation Year to all of the remaining Participants in proportion to their RAYSOP allocation in such Plan Year.

8.3 Coordination with Limitation on Benefit from All Plans -- Notwithstanding any other provisions in this Plan to the contrary, in the case of a Participant who also participates in any qualified defined benefit plan which is maintained by the Employer (whether or not terminated), the sum of the defined benefit plan fraction and the defined contribution plan fraction may not exceed 1.0 for any Limitation Year. The defined benefit plan fraction for any Limitation Year is a fraction, the numerator of which is the projected annual benefit of the Participant under the plan (determined as of the close of the Limitation Year); and the denominator of which is the lesser of (i) the product of 1.25, multiplied by the dollar limitation applicable to defined benefit plans, in effect under applicable law for such Limitation Year; or (ii) the product of 1.4 multiplied by one hundred percent (100%) of the Participant's average compensation for the three consecutive calendar years during which he had the highest aggregate compensation from the Employer. The defined contribution plan fraction for any Limitation Year is a fraction, the numerator of which is the sum of the annual additions (as defined in Section 8.1) to the Participant's Accounts as of the close of the Limitation Year; and the denominator of which is the sum of the lesser of the following amounts determined for the current Limitation Year and each prior Limitation Year: (i) the product of 1.25 multiplied by the dollar limitation applicable to defined contribution plans, in effect under applicable law for the Limitation Year; or (ii) the product of 1.4 multiplied by 25% of such Participant's total compensation for the Limitation Year. In the event that the limitation set forth above is exceeded, adjustments shall be made in the defined benefit plan.

8.4 This Article VIII shall be effective for Limitation Years beginning on or after January 1, 1987.

ARTICLE IX - LIMITATIONS OF SECTION 416 OF THE CODE

9.1 General Rule -- In the event that the Plan covers Eligible Employees who are not included in a unit of Employees covered by a collective bargaining agreement and becomes top heavy with respect to a Plan Year commencing on or after January 1, 1984, the provisions of this Article shall apply and shall supersede any conflicting provisions in the Plan.

9.2 Definitions --

(a) Key Employee: Any Employee or former Employee (and the Beneficiaries of such Employee) who at any time during the determination period was an officer of the Employer, an owner (or considered an owner under Section 415(c)(1)(A) of the Code) of one of the ten largest interests in the Employer if such individual's compensation exceeds 150 percent of the dollar limitation under Section 415(c)(1)(A) of the Code, a five percent (5%) owner of the Employer, or a one percent (1%) owner of the Employer who has an annual compensation of more than $150,000. The determination period of the Plan is the Plan Year containing the determination date and the four (4) preceding Plan Years. The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the regulations thereunder.

(b) Non-Key Employee: Any Employee who is not a Key Employee.

(c) Top-Heavy Ratio:

(i) If the Employer maintains one or more defined benefit plans and the Employer has never maintained any defined contribution plans (including any simplified employee pension plan) which has covered or could cover a Participant in this Plan, the Top-Heavy Ratio is a fraction, the numerator of which is the sum of the present value of accrued benefits of all Key Employees as of the determination date (including any part of any accrued benefit distributed in the five-year period ending on the determination date), and the denominator of which is the sum of all accrued benefits (including any part of any accrued benefit distributed in the five-year period ending on the determination date) of all Participants as of the determination date.

(ii) If the Employer maintains one or more defined contribution plans (including any simplified employee pension plan) and the Employer maintains or has maintained one or more defined benefit plans which have covered or could cover a Participant in this Plan, the Top-Heavy Ratio is a fraction, the numerator of which is the sum of account balances under the defined contribution plans for all Key Employees and the present value of accrued benefits under the defined benefit plans for all Key Employees, and the denominator of which is the sum of the account balances under the defined contribution plans for all Participants and the present value of accrued benefits under the defined benefit plans for all Participants. Both the numerator and denominator of the Top-Heavy Ratio are adjusted for any distribution of an account balance or an accrued benefit made in the five-year period ending on the determination date and any contribution due but unpaid as of the determination date.

(iii) For purposes of (i) and (ii) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date. The account balances and accrued benefits of a Participant who is not a Key Employee but who was a Key Employee in a prior year will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top Heavy Ratio. When aggregating plans, the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The accrued benefit of a Participant other than a Key Employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(d) Permissive aggregation group: The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(e) Required aggregation group: (i) Each qualified plan of the Employer in which at least one Key Employee participates, and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Sections 401(a)(4) and 410 of the Code.

(f) Determination date: For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, the last day of that year.

(g) Valuation date: The last day of each Plan Year.

(h) Present Value: Present Value shall be based only on the interest rate used by the Administrator to determine compliance with the funding requirements under the Retirement Act and the mortality rates specified on an appropriate current unisex table.

9.3 Determination as to Whether the Plan is Top Heavy -- The Administrator shall determine whether the Plan is top heavy within the meaning of Section 416. The Plan shall be top heavy for any Plan Year beginning after December 31, 1983, if, as of the last day of the preceding Plan Year (the "determination date"), any of the following conditions exist:

(a) If the Top-Heavy Ratio for this Plan exceeds sixty percent (60%) and this Plan is not part of any required aggregation group or permissive aggregation group of plans;

(b) If this Plan is a part of a required aggregation group of plans (but which is not part of a permissive aggregation group) and the Top-Heavy Ratio for the group of plans exceeds sixty percent (60%); or

(c) If this Plan is a part of a required aggregation group of plans and part of a permissive aggregation group and the Top-Heavy Ratio for the permissive aggregation group exceeds sixty percent (60%).

In determining whether the Plan is top heavy for Plan Years commencing after December 31, 1984, the Account balance of a Participant who has not performed an Hour of Service for the Employer at any time during the five-consecutive-year period ending on the determination date shall be excluded from the calculation of the Top Heavy Ratio.

9.4 Minimum Contribution -- For each Plan Year with respect to which the Plan is top heavy, the minimum amount allocated under the Plan for the benefit of each Participant who is a Non-Key Employee and who is otherwise eligible for such an allocation shall be the lesser of:

(a) three percent (3%) of the Non-Key Participant's compensation (within the meaning of Section 415 of the Code) for the Plan Year, or

(b) the Non-Key Participant's compensation (as defined in Section 415 of the Code) times a percentage equal to the largest percentage of such compensation (not exceeding $200,000, $150,000 for Plan Years beginning on or after January 1, 1994) allocated to any Key Employee for the Plan Year under this Plan and all other defined contribution plans in the same required aggregation group. This clause (b) shall not apply to any plan required to be included in an aggregation group if such plan enables a defined benefit plan required to be included in such group to meet the requirements of Section 401(a)(4) or Section 410 of the Code. This paragraph shall not apply to a Participant covered under a qualified defined benefit plan maintained by the Employer if the Participant's vested benefit thereunder satisfies the requirements of Section 416(c) of the Code. Notwithstanding any other language herein, a Non-Key Eligible Employee may not fail to receive a defined contribution minimum allocation because either (1) said Eligible Employee was excluded from participation (or accrues no benefit) merely because the Employee's compensation is less than the stated amount, or (2) the Employee is excluded from participation (or accrues no benefit) merely because of a failure to make Elective Deferrals.

9.5 Accelerated Vesting --

(a) For each Plan Year during which the Plan is top heavy, a vesting schedule which complies with the requirements of Section 416(b)(1)(a) of the Code will be placed in effect. Each Participant in a Period of Service during a Plan Year in which the Plan is top-heavy will be entitled to a Nonforfeitable right to one hundred percent (100%) of the pension benefit accrued from Employer contributions provided said Participant has completed a Period of Service with the Employer of at least three (3) years.

(b) In the event that an accelerated vesting schedule must be placed in effect in accordance with subparagraph (a) of this Section 9.5 and the Plan is later determined not to be top heavy, no vesting schedule change shall be made which shall have the effect of providing a benefit to a Participant less than the accrued cumulative benefit to which the Participant was otherwise entitled as of the date of said vesting schedule change pursuant to said subparagraph (a).

ARTICLE X - THE TRUST FUND

10.1 Trust Agreement -- During the period in which this Plan remains in existence, the Employer or any successor thereto shall maintain in effect a Trust Agreement with a corporate trustee as Trustee, to hold, invest, and distribute the Trust Fund in accordance with the terms of such Trust Agreement.

10.2 Investment of Accounts -- The Trustee shall invest and reinvest the Participant's accounts in investment options as defined in Section 4.1 as directed by the Administrator or its delegate in writing. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in accordance with Sections 4.2 and 4.3.

10.3 Expenses -- Expenses for the Plan and Trust shall be paid from the Trust.

ARTICLE XI - ADMINISTRATION OF THE PLAN

11.1 General Administration -- The general administration of the Plan shall be the responsibility of Raytheon Company (or any successor thereto) which shall be the Administrator and Named Fiduciary for purposes of the Retirement Act. The Company shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in Article XI, Section 11.2. All such determinations of the Company shall be conclusive and binding on all persons.

11.2 Responsibilities of the Administrator -- The Administrator shall assign responsibility for performance of all necessary administrative duties, including the following:

(a) Determination of all questions which may arise under the Plan with respect to eligibility for participation and administration of accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the Offices of the Executive Vice President - Chief Financial Officer, the Senior Vice President Treasurer, the Director of Tax Affairs, the Senior Vice President General Counsel, and the Senior Vice President - Human Resources, respectively, for advice and counsel.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing account balances, designation of beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the Government as required by law.

(f) Appointment of a Trustee or Trustees and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

11.3 Liability for Acts of Other Fiduciaries -- Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his assumption of Fiduciary status or after his termination from such status.

11.4 Employment by Fiduciaries -- Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

11.5 Recordkeeping -- The Administrator shall keep or cause to be kept any necessary data required for determining the account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

11.6 Claims Review Procedure -- The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

Step 1. Claims with respect to an Account should be filed by a claimant as soon as practicable after claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose account is at issue, by mailing a copy of the claim to the Benefits and Services Department, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173.

Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in Step 1.

Step 4. Within thirty (30) days following receipt of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation of the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

The Administrator is the fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined by the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

11.7 Indemnification of Directors and Employees -- The Companies shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or employee of the Employer, his heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Companies may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Companies.

11.8 Immunity from Liability -- Except to the extent that Section 410(a) of the Retirement Act prohibits the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed under Title I, Subtitle B, Part 4 of said Act, an officer, employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XII - AMENDMENT OR TERMINATION OF THE PLAN

12.1 Right to Amend or Terminate Plan -- Each of the Companies reserves the right at any time or times, by action of its Board of Directors, to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a certified copy of the resolution of the Board of Directors, authorizing such modification, amendment or termination shall be delivered to the Trustee and to the other Companies whose Employees are covered by this Plan, provided, however, no amendment to the Plan shall be made which shall:

(a) deprive any Participant of amounts allocated to his Account prior to the date of the amendment;

(b) except as provided in Section 3.11, make it possible for any part of the corpus or income of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of the Participants or their beneficiaries prior to the satisfaction of all liabilities with respect to such Participant or their Beneficiaries;

(c) modify the vesting schedule and deprive a Participant of his Nonforfeitable rights to amounts allocated to his account prior to the date of the amendment. Further, if the vesting schedule of the Plan is amended, or the Plan is amended to directly or indirectly affect a Nonforfeitable percentage of a Participant's Account, each Participant with a Period of Service of at least three years may elect, within a reasonable period after the adoption of the amendment to have his nonforfeitable percentage computed under the Plan without regard to such amendment. The period during which the election may be made shall commence with the date the amendment is adopted or the change made and shall end on the latest of:

(i) 60 days after the amendment is adopted;
(ii) 60 days after the amendment becomes effective, or
(iii) 60 days after the Participant is issued written notice of the amendment;

(d) increase the duties of liabilities of the Trustee without its consent.

Notwithstanding the foregoing provisions of this Section or any other provisions of this Plan, any modification or amendment of the Plan may be made retroactively if necessary or appropriate to conform the Plan with, or to satisfy the conditions of, the Retirement Act, the Code, or any other law, governmental regulation or ruling.

Any termination, modification or amendment of the Plan shall be subject to approval by the Board of Directors of the Company.

12.2 Maintenance of Plan -- The Employer has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the Employer is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time.

12.3 Termination of Plan and Trust -- The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Employer specifying the date as of which the Plan and Trust shall terminate;

(b) Adjudication of the Employer as bankrupt or general assignment by the Employer to or for the benefit of creditors or dissolution of the Employer;

In the event of the complete termination of this Plan or the complete discontinuance of Matching Contributions under it (but a rescission under Section 13.2 for failure to qualify initially is not such a termination or complete discontinuance), the rights of each Participant to the amounts then credited to his or her Account shall be Nonforfeitable. In the event of the partial termination of this Plan, the rights of each Employee (as to whom the Plan is considered terminated) to the amounts then credited to his or her Account, shall be Nonforfeitable. Whether or not there is a complete or partial termination of this Plan shall be determined under the regulations promulgated pursuant to the Internal Revenue Code. To the extent this paragraph is inconsistent with any provisions contained elsewhere in this Plan or in the Trust which forms a part of this Plan, this paragraph shall govern. Upon such termination of the Plan and Trust, after payment of all expenses and proportional adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations to the date of termination, each Participant or former Participant shall, subject to the requirements of Section 401(k)(10) of the Code and Reg. ss. 1.401(k)-1(d)(3), be entitled to receive any amounts then credited to his or her Account in the Trust Fund. The Trustee may make payments in cash or, to the extent permitted by Section 6.6, in stock.

ARTICLE XIII - ADDITIONAL PROVISIONS

13.1 Effect of Merger, Consolidation or Transfer -- In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

13.2 Necessity of Initial Qualification -- This Plan is established with the intent that it shall qualify under Sections 401(a) and 401(k) of the Code as that section exists at the time the Plan is established. If the Internal Revenue Service determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination all of the vested assets of the Trust Fund held for the benefit of Participants and their beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code. Any nonvested Matching Contributions and earnings attributable thereto shall be returned to the Companies.

13.3 Limitation of Assignment -- No account under the Plan shall be subject in any manner to attachment, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, or the vesting of rights in any person by operation of law or otherwise except as provided under this Plan, including but not limited to the Trustee or Receiver in Bankruptcy, and any attempt so to anticipate, alienate, sell, transfer, assign, encumber or charge the same shall be void, nor shall any such benefit be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such benefit. If any Participant is adjudicated bankrupt, or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan, then such benefit shall, in the discretion of the Administrator, cease and terminate and in that event the Trustee shall hold or apply the same or any part thereof to or for the benefit of such Participant in such manner as the Administrator may direct.

Notwithstanding the foregoing, the Administrator is authorized to comply with a domestic relations order determined by it to be a qualified domestic relations order as defined in Section 414(p) of the Code. A distribution may be made to an alternate payee under a qualified domestic relations order in the form of a lump sum payment at the time specified in such order, regardless of any restrictions on the commencement of the distribution that then may apply to the Participant to whom the order relates.

13.4 Limitation of Rights of Employees -- This Plan is strictly a voluntary undertaking on the part of the Companies and shall not be deemed to constitute a contract between any of the Companies and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Companies or shall interfere with the right of any of the Companies to discharge or otherwise terminate the employment of any Employee of the Company at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

13.5 Construction -- The Plan shall be construed, regulated, and administered under the laws of the Commonwealth of Massachusetts, except to the extent that the Retirement Act otherwise requires. In the event that any provision of this Plan is inconsistent with any provision in the Retirement Act, the provision in the Retirement Act shall be deemed to be controlling.

13.6 Transfer of Assets from Raytheon Employee Savings and Investment Plan -- Effective as of December 5, 1994, the account balances of those participants under the Raytheon Employee Savings and Investment Plan who are employed by Amana Refrigeration, Inc. in the unit represented by Local 2385, International Association of Machinists and Aerospace Workers, at Amana's plant in Fayetteville, Tennessee (the "Transferred Accounts") shall be transferred into this Plan. Assets equal to the Transferred Accounts shall be transferred from the Raytheon Employee Savings and Investment Plan to the Trustee, such transfer to be effective as of December 5, 1994. Amounts held in the various investment accounts under the Raytheon Employee Savings and Investment Plan and Trust shall be transferred to the investment accounts under the Trust in

accordance with procedures established by the Administrator. Upon such transfer, the assets transferred from the Raytheon Employee Savings and Investment Plan shall become assets of this Plan for all purposes hereunder, effective as of December 5, 1994, and this Plan shall assume all the liabilities of the Raytheon Employee Savings and Investment Plan for the Transferred Accounts, and benefits shall thereafter be allocated and paid pursuant to the provisions of this Plan. All participants in the Raytheon Employee Savings and Investment Plan whose accounts are transferred to this Plan shall remain fully vested in their accounts which are transferred to this Plan. All withdrawal and distribution options under the Raytheon Employee Savings and Investment Plan shall be made available under this Plan with respect to the Transferred Accounts to the extent required by Section 411(d)(6) of the Code.

ARTICLE XIV - DEFINITIONS

The following terms have the meaning specified below unless the context indicates otherwise:

14.1 "Account" means the entire interest of a Participant in the Trust Fund. A Participant's Account shall consist of an Employee Account, a Matching Contribution Accountand, where applicable, a Rollover Contribution Account and a Qualified Non-Elective Contribution Account.

14.2 "Administrator" means Raytheon Company.

14.3 "Affiliate" means a trade or business which together with any of the Companies is a member of (i) a controlled group of corporations within the meaning of Section 414(b) of the Code; (ii) a group of trades or businesses (whether or not incorporated) under common control as defined in Section 414(c) of the Code, or (iii) an affiliated service group as defined in Section 414(m) of the Code, or which is an entity otherwise required to be aggregated with the Companies pursuant to Section 414(o) of the Code. For purposes of Article VIII, the determination of controlled groups of corporations and trades or businesses under common control shall be made after taking into account the modification required under Section 415(h) of the Code. This section shall be effective as of January 1, 1987.

14.4 "Authorized Leave of Absence" means an absence approved by the Companies on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of Employee or relative, death of relative, education of Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Companies within the time period specified by the Companies.

14.5 "Authorized Military Leave of Absence" means any absence due to service in the Armed Forces of the United States, upon completion of which the Employee is entitled under any applicable Federal law to reemployment at the termination of such military service, provided that he returns to the service of the Companies within the period provided for by such applicable Federal law or such further period as may be established by the Administrator. As used in this paragraph, the term "Armed Forces of the United States" excludes the Merchant Marine.

14.6 "Beneficiary" means the person designated by the Participant to receive the value of his Account in the event of his death; provided, however, that if a Participant with a spouse designates a Beneficiary other than his spouse, said designation shall not take effect unless the spouse consents in writing to such designation and said spousal consent acknowledges the effect of said designation and is witnessed by a representative of the Plan or a notary public. Said spousal consent shall be effective only with respect to the spouse granting such consent, and shall not be required if the Participant can establish that there is no spouse, that the spouse cannot be located, or that other conditions exist as may be prescribed by regulations issued by the Secretary of the Treasury. If there is no Beneficiary designated by the Participant or surviving at the death of the Participant, payment of his Account shall be made in accordance with Section 6.6. Subject to the foregoing, a Participant may designate a new beneficiary at any time by filing with the Administrator a written request for such change on a form prescribed by the Administrator. Such change shall become effective only upon receipt of the form by the Administrator, but upon such receipt of the change shall relate back to and take effect as of the date the Participant signed such request, whether or not the Participant is living at the time of such receipt, provided, however, that neither the Trustee nor the Administrator shall be liable by reason of any payment of the Participant's Account made before receipt of such form.

14.7 "Board of Directors" means the Board of Directors of Raytheon Company.

14.8 "Business Day" means a day on which Fidelity is open for general business.

14.9 "Code" means the Internal Revenue Code of 1986, as amended.

14.10 "Company" means Raytheon Company, but shall not include a Division, Operation, payroll or similar cohesive group of Raytheon Company excluded by the Board of Directors of Raytheon Company.

14.11 "Companies" means the Company and any Subsidiary of the Company which elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such a Subsidiary is approved by the Board of Directors of the Company, or an officer to whom authority to approve participation by a Subsidiary is delegated by the Board of Directors, but shall not include any Division, Operation or similar cohesive group of a participating Subsidiary excluded by the Board of Directors of the Subsidiary and the Board of Directors of the Company.

14.12 "Covered Hourly Payroll" means a payroll consisting of hourly payroll Employees in the following bargaining units: production and maintenance Employees employed at the Company's Eastern Massachusetts plants in the unit represented by Local 1505, International Brotherhood of Electrical Workers; production and maintenance Employees employed at the Company's Oxnard, California, plant in the unit represented by Local 40, International Brotherhood of Electrical Workers; Employees employed in machinist and related occupations at the Company's Eastern Massachusetts plants in the unit represented by Lodge 1836, International Association of Machinists and Aerospace Workers; Employees employed in machinist and related occupations at the Company's Portsmouth, Rhode Island, plant in the unit represented by Lodge 587, International Association of Machinists and Aerospace Workers; Employees employed as guards at the Company's Eastern Massachusetts and New Hampshire plants in the unit represented by the Raytheon Guards Association, and at the Company's Quincy, Massachusetts, plant in the unit represented by Local 84, International Union of Police and Protection Employees, Independent Watchmen's Association; production and maintenance Employees employed in the units represented by Lodges 733 and 2328, International Association of Machinists and Aerospace Workers, at Raytheon Aircraft Company facilities at Wichita and Salinas, Kansas, respectively; Employees in the unit represented by Lodge 831, International Association of Machinists and Aerospace Workers, at Cedarapids, Inc.'s facility in Cedar Rapids, Iowa; and Employees employed on the hourly payroll at Amana Refrigeration Inc.'s Florence, South Carolina, facility.

14.13 "Disability" means that the Participant is totally and permanently disabled by bodily injury or disease so as to be prevented from engaging in any occupation for compensation or profit. The determination of disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish disability or the continuation thereof.

14.14 "Early Retirement Date" means the first day of the month subsequent to the earliest date on which the Participant has both attained age 55 and completed a Period of Service of ten (10) years.

14.15 "Elective Deferral" means a voluntary reduction of Participant's compensation in accordance with Section 2.2 hereof.

14.16 "Eligible Compensation" means the base pay (including vacation and sick pay and pay for unused vacation and sick leave), supervisory differentials, shift premiums and sales commissions paid to the Participant by the Employer, excluding all other earnings from any source. Effective January 1, 1997, if the base pay of a Participant (who is not a regularly scheduled part-time employee) is less in any work week than the equivalent of 40 times the straight time hourly rate, overtime premium pay may be considered, but only to the extent total Eligible Compensation for such work week does not exceed 40 multiplied by the Participant's straight time hourly rate. Effective for Plan Years beginning on or after January 1, 1989 and prior to December 31, 1993, in no event shall the amount of Eligible Compensation taken into account under the Plan for any Plan Year exceed $200,000 (or such larger amount as the Secretary of the Treasury may determine for such Plan Year under Section 401(a)(17) of the Code). Effective for Plan Years beginning on or after January 1, 1994, in no event shall the amount of Eligible Compensation taken into account under the Plan for any Plan Year exceed $150,000 (or such larger amount as the Secretary of the Treasury may determine for such Plan Year under Section 401(a)(17) of the Code). For purposes of this limitation only, in determining compensation the rules of Section 414(q)(6) of the Code shall apply, except that in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the Plan Year.

14.17 "Eligible Employee" means any Employee on a Covered Hourly Payroll of one of the Companies, excluding Employees in cooperative studies and intern programs, independent contractors reclassified as a result of an audit by a government agency as common law employees and all individuals performing services for the Companies who are paid through accounts payable, as distinguished from the payroll system, and, effective January 1, 1987, a person who is a Leased Employee. No Employee may be an Eligible Employee under this Plan for any period during which the Employee is an Eligible Employee under the Raytheon Savings and Investment Plan.

14.18 "Employee" means any person performing compensated services for the Employer who meets the definition of "Employee" for income tax withholding purposes under Treas. Regs. 31.3401(c)-1 and any person who is a Leased Employee. This section shall be effective as of January 1, 1987.

14.19 "Employee Account" means that portion of Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.20 "Employer" means Raytheon Company and any Affiliate thereof.

14.21 "Employment Commencement Date" is the date on which the Employee first performs an Hour of Service with the Employer.

14.22 "Enrollment Agreement" means a salary reduction agreement pursuant to which an Eligible Employee voluntarily joins the Plan and authorizes deferral of a portion of the Participant's Eligible Compensation.

14.23 "Fidelity" means Fidelity Investments, the recordkeeper for the Plan.

14.24 "Fiduciary" means a named fiduciary and any other person or group of persons who assumes a fiduciary responsibility within the meaning of the Retirement Act under this Plan whether by expressed delegation or otherwise but only with respect to the specific responsibilities of each for the administration of the Plan and Trust Fund.

14.25 "Higher Paid Eligible Employee" means an individual described in Section 414(q) of the Code, after giving effect to subsection (12) thereof, and any regulation, notice or other guidance issued by the Internal Revenue Service thereunder. The determination of whether an individual is a Higher Paid Eligible Employee may be made by the Administrator on the basis of any elective provision permitted under such regulation, notice or other guidance. In general, an Employee will be considered a Higher Paid Eligible Employee if such individual:

(a) was a five percent owner as defined in Section 416(i)(1)(iii) of the Code at any time during the current or preceding Plan Year;

(b) received compensation in excess of $50,000 during the current or preceding Plan Year (adjusted annually for increases in the cost of living in accordance with Section 415(d) of the Code); or

(c) was at any time an officer within the meaning of Section 416(i) of the Code during the preceding Plan Year, and who received compensation in the current or preceding Plan Year greater than 50 percent of the dollar limitation in effect under Section 415(b)(1)(A) of the Code for such Plan Year. Notwithstanding the foregoing, no more than 50 or, if lesser, the greater of 3 employees or 10 percent of the Employees shall be treated as officers.

(d) An Employee who is not described in paragraph (b) or (c) above for the preceding Plan Year shall not be treated as described in paragraph (b) or (c) unless such Employee is one of the 100 Employees who receive the most compensation from the Employer during the Plan Year.

(e) A former Employee shall be treated as a Higher Paid Eligible Employee if such former Employee had a separation year prior to the Plan Year and was a Higher Paid Eligible Employee for either (1) such Employee's separation year or (2) any Plan Year ending on or after the Employee's 55th birthday.

A separation year is the Plan Year in which the Employee separates from service.

(f) Notwithstanding anything to the contrary in this Plan, Sections 414(b), (c), (m), (n), and (o) of the Code are applied prior to determining whether an Employee is a High Paid Eligible Employee.

(g) "Non-Higher Paid Eligible Employee" shall mean an Employee who is neither a Higher Paid Eligible Employee nor a family member (within the meaning of Section 414(q)(6) of the Code).

(h) "Compensation" shall mean the Employee's wages which are required to be reported on IRS Form W-2, increased by any Elective Deferrals made by the Companies to the Plan on behalf of the Employee and any pre-tax elective contributions made by the Companies which are excludible from the Employee's income under Section 125 of the Code.

14.26 (a) "Hour of Service" means an hour with respect to which any Employee is paid, or entitled to payment, for the performance of duties for the Employer during the applicable computation period.

(b) "Hour of Service" shall include an hour for which the Employee is entitled to credit under subparagraph (a) hereof as a result of employment:

(i) with a predecessor company substantially all of the assets of which have been acquired by the Employer, provided that where only a portion of the operations of a company have been acquired, only service with said acquired portion prior to the acquisition will be included and that the Employee was employed by said predecessor company at the time of acquisition; or

(ii) with a Division, Operation or similar cohesive group of the Employer excluded from participation in the Plan.

(iii) with a predecessor contractor under contracts covered by the Service Contract Act, provided that the Employee is in a Period of Service with such contractor on the day immediately preceding Employee's Employment Commencement Date or Reemployment Commencement Date, as applicable. (c) To the extent applicable, the rules set forth in 29 CFR ss.ss. 2530.200b-2(b) and (c) for computing an "Hour of Service" are incorporated herein by reference.

14.27 "Layoff" means an involuntary interruption of service due to reduction in the cost of living in accordance with Section of work force with or without the possibility of recall to employment when conditions warrant.

14.28 "Leased Employee" means any person (other than an Employee) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or any related person as provided in Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year and such services are of the type historically performed by employees in the business field of the Employer. Leased Employees are not eligible to participate in the Plan. Notwithstanding the foregoing, if such "Leased Employees" constitute less than 20% of the nonhighly compensated workforce of the Employer within the meaning of Section 414(n)(5)(C)(ii) of the Code, the term "Employee" shall not include Leased Employees covered by a plan described in Section 414(n)(5) of the Code. This section shall be effective as of January 1, 1987.

14.29 "Limitation Year" means the calendar year or any other 12-consecutive-month period adopted for all qualified deferred compensation plans of the Company pursuant to a written resolution adopted by the Company.

14.30 "Matching Contribution" means contribution made to the Trust in accordance with Section 3.7 hereof.

14.31 "Matching Contribution Account" means that portion of Participant's Account which is attributable to Matching Contributions by the Companies, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.32 "Net Annual Profits" means the current earnings of the Companies for the Plan Year determined in accordance with generally accepted accounting principles before federal and local income taxes and before contributions to this Plan or any other qualified plan.

14.33 "Net Profits" means the accumulated earnings of the Companies at the end of the Plan Year determined in accordance with generally accepted accounting principles. For the purposes hereof "accumulated earnings at the end of the Plan Year" shall include Net Annual Profits for such Plan Year calculated before any deduction is taken for depreciation, if any.

14.34 "Nonforfeitable" means an unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

14.35 "Normal Retirement Age" means the Participant's sixty-fifth (65th) birthday.

14.36 "Participant" means (i) an individual who is enrolled in the Plan pursuant to Article III and (ii) an individual who has transferred a Qualified Rollover Account into the Plan pursuant to Section 3.10(d) provided that the Participant in either category has not withdrawn the entire amount of his or her Account.

14.37 "Pay Period" means a scheduled period for payment of wages or salaries.

14.38 "Period of Participation" means that portion of a Period of Service during which the Eligible Employee was a Participant, and had an Employee Account in the Plan. For the purpose of determining a Period of Participation, participation in the Raytheon Savings and Investment Plan and the Raytheon Employee Savings and Investment Plan shall be considered as participation in this Plan.

14.39 "Period of Service" means the period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date.

14.40 "Period of Severance" means the period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

14.41 "Plan" means the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees as amended from time to time.

14.42 "Plan Year" means a calendar year, or a portion thereof occurring prior to the termination of the Plan.

14.43 "Qualified Non-Elective Contribution Account" means that portion of a Participant's Account which is attributable to Qualified Non-Elective Contributions received pursuant to Section 3.12, adjusted for withdrawals and distributions, and the earnings and losses attributable thereto.

14.44 "Reemployment Commencement Date" means the first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under Section 5.3 in determining whether a Participant has a Nonforfeitable right to his or her Matching Contribution Account.

14.45 "Retirement" means a Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

14.46 "Retirement Act" means the Employee Retirement Income Security Act of 1974, including any amendments thereto.

14.47 "Rollover Contribution Account" means that portion of a Participant's Account which is attributable to rollover contributions received pursuant to Section 3.10, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.48 "Salaried Payrolls" means the nonexempt salaried and the exempt salaried payrolls which are processed in the United States.

14.49 "Severance from Service" means the termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Authorized Military Leave of Absence or Disability.

14.49A "Severance from Service Date" means the earlier of:

(a) the date on which an Employee quits, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c) and (d) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than quit, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a Layoff as the result of a permanent plant closing, the Administrator may designate the date of Layoff or other appropriate date prior to the first anniversary of the first date of absence as the Severance From Service Date; or

(c) in the case of an Authorized Military Leave of Absence from which the Employee does not return prior to expiration of recall rights, "Severance from Service Date" means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, "Severance from Service Date" means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or quits (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date," for the sole purpose of determining the length of a Period of Service, shall mean the first anniversary of the quit or discharge; or

(f) in the case of an Employee who is absent from service beyond the first anniversary of the first day of absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Severance from Service Date shall be the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence is neither a Period of Service nor a Period of Severance; or

(g) in the case of an Employee whose employment is terminated by reason of the sale or divestiture of assets or stock of a business of one of the Companies, "Severance From Service Date" shall be the earlier of the first anniversary of the closing date of the transaction or the date the Employee dies or withdraws the entire amount of his or her Account.

14.50 "Subsidiary" means any corporation designated by the Board of Directors of Raytheon Company as a Subsidiary, provided that for the purposes of the Plan no corporation shall be considered a Subsidiary during any period when less than fifty percent (50%) of its outstanding voting stock is beneficially owned by the Company.

14.51 "Surviving Spouse" means a lawful spouse surviving the Participant as of the date of Participant's death.

14.52 "Trust Agreement" means the agreement between the Company and the Trustee, and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

14.53 "Trustee" means the Trustee and any successor trustees under the Trust Agreement. 14.54 "Trust Fund" means the cash, securities, and other property held by the Trustee for the purposes of the Plan.

14.55 "Valuation Date" means each day the New York Stock Exchange is open for business. 14.56 Words used in either the masculine or feminine gender shall be read and construed so as to apply to both genders where the context so warrants. Words used in the singular shall be read and construed in the plural where they so apply.

APPENDIX A
EFFECTIVE DATES AND AGE REQUIREMENTS FOR LOAN PROVISIONS

Unit	Effective Date of Loan Provisions	Required Age for Loan Eligibility
Local 1836, International Association of Machinists and Aerospace Workers	January 1, 1987	Less than age 59 1/2
Local 1505, International Brotherhood of Electrical Workers	March 1, 1989	None
Local 587, International Association of Machinists and Aerospace Workers	March 1, 1989	None
Local 40, International Brotherhood of Electrical Workers	April 1, 1989	None
Raytheon Guards Association	May 1, 1989	None
Local 84, International Union of Police and Protection Employees, Independent Watchmen's Association	May 1, 1989	None
Local 284, International Brotherhood of Teamsters	Nov. 1, 1995	

EXHIBIT 4.5

RAYTHEON EMPLOYEE SAVINGS AND INVESTMENT PLAN

Provisions in Effect as of May 1, 1998

ARTICLE I -- ADOPTION AND PURPOSE

The Plan was established effective July 1, 1987, as the Badger Savings and Investment Plan for the purpose of providing employees with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Badger Plan as determined by the employee and set aside for short-term and long-term needs of the employee. The Badger Plan was applicable only to eligible employees of The Badger Company, Inc. from July 1, 1987, to May 12, 1993. On May 12, 1993, the Accounts of all Participants were transferred to the Raytheon Employee Savings and Investment Plan. Thereafter, the Plan was renamed the Raytheon Employee Savings and Investment Plan and is applicable to employees of Raytheon Company and its subsidiaries who are employed in units designated by the Subsidiary or the Company as a Covered Unit and, in the case of Subsidiary units, approved by an authorized officer of the Company for participation in the Plan.

It is intended that the Plan will comply with all of the requirements for a qualified defined contribution plan under Sections 401(a) and 401(k) of the Internal Revenue Code and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in Article XIV unless the context indicates otherwise. The Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act and Title 29 of the Code of Federal Regulations, 2550.404(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan and the Plan fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a participant or beneficiary.

The Plan as restated herein shall be effective as of June 1, 1994 or such other dates as may be specifically provided herein or as otherwise required by law for the Plan or the Raytheon Subsidiary Savings and Investment Plan, which is merged into this Plan pursuant to Section 13.6, to satisfy the requirements of Section 401(a) of the Code. The rights of former Employees whose Severance from Service Date occurred prior to the date of any amendment shall be governed by the terms of the Plan in effect on their Severance from Service Date except as otherwise provided herein.

ARTICLE II -- ELIGIBILITY

2.1 Eligibility Requirements - Present Employees -- Each Eligible Employee of the Company or a Subsidiary who was in a Period of Service in a Covered Unit as of the date specified in Appendix A was eligible to join the Plan as of said date or any subsequent Entry Date selected by the Eligible Employee provided he or she continues in the same Period of Service or meets the requirements under Section 2.2.

2.2 Eligibility Requirements - Employees -- Each other Eligible Employee may join the Plan as of the first Entry Date coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on the Employee's Commencement Date or Reemployment Commencement date, whichever is applicable.

2.3 Procedure for Joining the Plan -- Each Eligible Employee who meets the requirements of Section 2.1 or Section 2.2 may join the Plan by communicating with Fidelity in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Employee has designated: a percentage by which Participants' Eligible Compensation shall be reduced as an Elective Deferral in accordance with the requirements of Section 3.3(b) subject to the non-discrimination test described in Section 3.3(a); election of investment funds as described in Article IV; one or more Beneficiaries; and such other information as specified by Fidelity. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator in its discretion may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.4 Transfer to Position Not Covered by Plan -- If a Participant is transferred to another position with the Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan with respect to Elective Deferrals previously made but will no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with Fidelity and providing all of the information requested by Fidelity. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by Fidelity of the requested information.

2.5 Break in Service Rules

(a) Periods of Service -- In determining the length of a Period of Service, the Administrator shall include all Periods of Service, except a Period of Service prior to a Period of Severance of twelve (12) months or more, unless subsequent to said Period of Severance the Participant completes a Period of Service of at least twelve (12) months.

(b) Periods of Severance -- In determining the length of a Period of Service, the Administrator shall exclude all Periods of Severance, except that in the event a Participant returns from a quit, discharge, or Retirement, within twelve (12) months from the earlier of:

(i) the date of the quit, discharge, or Retirement, or

(ii) if the Participant was absent from employment for reasons such as layoff or Authorized Leave of Absence on the day of the quit, discharge, or Retirement, the first day of such absence, the period of absence will be included as a Period of Service.

(c) Other Periods -- In making the determinations described in subsections (a) and (b) of this Section 2.5, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE III -- CONTRIBUTIONS

3.1 Elective Deferrals -- Elective Deferrals must be made in one percent (1%) increments with a minimum Elective Deferral of one percent (1%) of Eligible Compensation and a maximum Elective Deferral of seventeen percent (17%); provided, however, that effective for any Plan Year beginning on or after January 1, 1987, in no event may the amount of Elective Deferrals to the Plan, when taken into account with all other elective deferrals (as defined in Code Section 402(g)) made by a Participant under any other plan maintained by the Employer, exceed $7,000 (adjusted for increases in the cost of living under Code Section 402(g)) in any calendar year. If a Participant participates in another plan or arrangement which is not maintained by the Employer and which permits elective deferrals in any calendar year and his total Elective Deferrals under the Plan and other plan(s) exceed $7,000 (as adjusted) in a calendar year, he may request to receive a distribution of the amount of the excess deferral (a deferral in excess of $7,000 (as adjusted)) that is attributable to Elective Deferrals to this Plan together with earnings thereon, notwithstanding any limitations on distributions contained in the Plan. Such distribution shall be made by the April 15 following the Plan Year in which the Elective Deferrals were made, provided that the Participant notifies the Administrator of the amount of the excess deferral that is attributable to Elective Deferrals to the Plan and requests such a distribution. The Participant's notice must be received by the Administrator no later than the March 1 following the Plan Year of the excess deferral. In the absence of such notice, the amount of such excess deferral attributable to Elective Deferrals to this Plan shall be subject to all limitations on withdrawals and distributions in the Plan. In addition to distributing excess deferrals at the request of the Participant, the Administrator shall distribute any deferrals made under this Plan or any other plan of the Employer in excess of the statutory maximum deferral of $7,000 (as adjusted). For this purpose as provided in 26 CFR 1.402(g)-1(e)(2), a Participant is deemed to notify the Administrator of any excess deferrals that arise by taking into account only those Elective Deferrals made to this Plan and any other plans of this Employer and to request that such excess deferrals be distributed by the Plan Administrator. The distribution of excess deferrals will include any earnings or be reduced by any loss allocable to the excess deferrals pursuant to the Plan method of allocating earnings or losses and calculated to the last day of the Plan Year in which the excess deferrals were made.

The Administrator may establish prospectively lower limits for Higher Paid Participants for the purpose of complying with Internal Revenue Code requirements in an orderly manner.

3.2 Limitations on Elective Deferrals --

(a) In no event may Elective Deferrals made on behalf of all Higher Paid Eligible Employees with respect to any Plan Year result in an Actual Deferral Percentage for such group of Higher Paid Eligible Employees which exceeds the greater of (i) or (ii) where:

(i) is an amount equal to 125 percent of the Actual Deferral Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year; and

(ii) is an amount equal to the Actual Deferral Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year and two percent (2%), provided that such amount does not exceed 200 percent of such Actual Deferral Percentage.

(b) The Administrator shall be authorized to implement rules authorizing or requiring reductions in Elective Deferrals that may be made by Higher Paid Eligible Employees during the Plan Year (prior to any contributions to the Trust) so that the limitation of Section 3.2(a) is satisfied.

(c) The Company may in its discretion make Qualified Nonelective Contributions to the Accounts of certain Non-Higher Paid Eligible Employees to the extent required to satisfy the limitations of Section 3.2(a).

(d) If the limitation under Section 3.2(a) is exceeded in any Plan Year, the Excess Amounts made on behalf of Higher Paid Eligible Employees with respect to a Plan Year (and earnings allocable thereto) shall then be distributed to such Employees as soon as practicable after the end of such Plan Year, but no later than the last day of the immediately following Plan Year. The Excess Amounts distributed shall include Elective Deferrals and the income allocable thereto. The amount of income allocable to Excess Amounts shall be determined in accordance with the regulations issued under Section 401(k) of the Code and shall include income for the Plan Year for which the Excess Amounts were made. Any such distributions shall be reduced by the amount of any distributions made pursuant to Section 3.1 above.

(e) The Administrator may utilize any combination of the methods described in Sections 3.2(b), (c) and (d) to assure that the limitations of Section 3.2(a) are satisfied.

(f) For purposes of this Section 3.2, the following definitions and special rules shall apply:

(i) The term "Annual Earnings" means the Employee's wages which are required to be reported on IRS Form W-2 for the calendar which coincides with the Plan Year.

(ii) The term "Actual Deferral Percentage" shall mean, with respect to any group of actively employed Eligible Employees who have satisfied the eligibility requirements of Article II for a Plan Year, the average of the ratios, calculated separately for each such Eligible Employee in the group, of:

(A) The amount of Elective Deferrals paid to the Trust Fund for such Plan Year, divided by

(B) The Eligible Employee's Annual Earnings, including any Elective Deferrals made by the Companies to the Plan on behalf of the Eligible Employee and any pre-tax elective contributions made by the Companies which are excludible from the Eligible Employee's income under Section 125 of the Code.

Elective Deferrals shall be taken into account for a Plan Year only if such amounts are allocated to the Eligible Employee's Account as of a date within that Plan Year. For this purpose, an Elective Deferral is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date and the Elective Deferral is actually paid to the Trust Fund no later than 12 months after the Plan Year to which the contribution relates.

(iii) The term "Excess Amounts" shall mean with respect to each Higher Paid Eligible Employee who has satisfied the eligibility requirements of Article II for a Plan Year, the amount equal to total Elective Deferrals made on behalf of such Employee (determined prior to the application of the leveling procedure described below) minus the product of the Employee's Actual Deferral Percentage (determined after the leveling procedure described below) multiplied by the amount specified in Section 3.2(f)(ii)(B) above. In accordance with the regulations issued under Section 401(k) of the Code, Excess Amounts shall be determined by a leveling procedure under which the Actual Deferral Percentage of the Higher Paid Eligible Employee with the highest such percentage shall be reduced to the extent required to enable the limitation of Section 3.2(a) to be satisfied or, if it results in a lower reduction, to the extent required to cause such Higher Paid Eligible Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Higher Paid Eligible Employee with the next highest Actual Deferral Percentage. This leveling procedure shall be repeated until the limitation of Section 3.2(a) is satisfied.

(iv) The term "Qualified Nonelective Contributions" means contributions that are made pursuant to Sections 3.2(c), meet the requirements of Section 401(m)(4)(C) of the Code and the regulations issued thereunder, and which are designated as a Qualified Nonelective Contribution for purposes of satisfying the limitations of Sections 3.2(c). Qualified Nonelective Contributions shall be nonforfeitable when made and are distributable only in accordance with the distribution and withdrawal provisions that are applicable to Elective Deferrals under the Plan; provided, however, that Qualified Nonelective Contributions may not be withdrawn on account of financial hardship. If any Qualified Nonelective Contributions are made, the Company shall keep such records as necessary to reflect the amount of such contributions made for purposes of satisfying the limitations of Sections 3.2(c).

(v) In the event the Companies maintain two or more plans that are treated as a single plan for purposes of Sections 401(a)(4) and 410(b) of the Code (other than Section 410(b)(2)(A)(ii) of the Code), all elective deferrals made under the two plans shall be treated as made under a single plan, and if two or more of such plans are permissively aggregated for purposes of Section 401(k) of the Code, such plans shall be treated as a single plan for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code.

(vi) In determining the Actual Deferral Percentage of a Higher Paid Eligible Employee, all cash or deferred arrangements in which such Higher Paid Eligible Employee is eligible to participate shall be treated as a single arrangement.

(vii) The family aggregation rules of Section 414(q)(6) of the Code shall apply to any Higher Paid Eligible Employee who is a five percent owner or one of the ten most highly compensated Higher Paid Eligible Employees. The Actual Deferral Percentage for the family group, which is treated as one Higher Paid Eligible Employee, is the Actual Deferral Percentage determined by combining the contributions and compensation of all eligible Family Members. Except to the extent taken into account in this Paragraph (vii), the contributions and compensation of all Family Members are disregarded in determining the Actual Deferral Percentages for all Employees.

(g) The limitations of this Section 3.2 shall apply to Plan Years beginning on or after January 1, 1987.

3.3 Reinstatement of Reduced Amounts -- Any reduction effected pursuant to Section 3.2(b) will remain in effect for the remainder of the Plan Year in which the reduction occurs. A Participant whose Elective Deferral has been reduced may elect, subject to the approval of the Administrator, to increase his or her Elective Deferral effective as of the Entry Date in January of the next Plan Year. This election must be made in accordance with the procedure described in Section 3.4. The reduction described in Section 3.2(b) will not be automatically reinstated.

3.4 Change in Elective Deferrals -- Except as provided in Sections 3.2 and 3.3, any Participant may change his or her Elective Deferral percentage by notifying Fidelity, such changes to take effect as of the next administratively feasible Pay Period.

3.5 Voluntary Reduction of Elective Deferral to Zero -- Any Participant may elect to reduce the level of the Participant's Elective Deferral to zero as of the beginning of any pay period. The reduction will take effect as soon as practicable following telephone notification by the Participant to Fidelity. A Participant who has reduced his or her Elective Deferral to zero may again make Elective Deferrals as of the next administratively feasible Pay Period subsequent to telephone notification to Fidelity.

3.6 Rollover Contributions and Transfers --

(a) Participants may transfer into the Plan qualifying rollover amounts (as defined in Section 402 of the Code) received from other qualified plans subject to Section 401(k) or Section 401(m) of the Code; qualified defined contribution pension or profit sharing plans, provided that no federal income tax has been required to have been paid previously on such amounts; rollover contributions from an individual retirement account described in Section 408(d)(3)(A)(ii) of the Code (referred to herein as a "conduit IRA"); or rollover contributions from the Raytheon Stock Ownership Plan by former Participants in that plan who have incurred a Severance from Service. Such transfers will be referred to as "rollover contributions" and will be subject to the following conditions:

(i) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from another qualified Section 401(k) or Section 401 (m) plan or, in the event that the funds are transferred from a conduit IRA, no later than sixty (60) days from the date that the Participant receives such funds from the individual retirement account, subject, however, to (v) below where applicable;

(ii) the amount of such rollover contributions shall not exceed the limitations set forth in Section 402 of the Code;

(iii) rollover contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to Article VII;

(iv) rollover contributions may be distributed at the request of the Participant, subject to the same administrative procedures as apply to other distributions;

(v) rollover contributions may not be received by the Trustee earlier than the Entry Date upon which the Participant elects to join the Plan;

(vi) rollover contributions transferred pursuant to this Section 3.6 shall be credited to the Participant's Rollover Contribution Account. Rollover contributions will be invested upon receipt by the Trustee;

(vii) no rollover contribution will be accepted unless (A) the Employee on whose behalf the rollover contribution will be made is either a Participant or has notified the Administrator that he intends to become a Participant on the first date on which he is eligible therefor, or was a former participant in the Raytheon Stock Ownership Plan and the entire amount of the rollover contribution is comprised of the Participant's account in that plan, and (B) all required information, including selection of specific investment accounts, is provided to Fidelity. When the rollover contribution has been deposited, any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in Sections 4.2 and 4.3.

(viii) under no circumstances shall the Administrator accept as rollover contributions amounts which have previously been subject to federal income tax.

(b) Effective January 1, 1993, Participants may direct that "eligible rollover distributions," as defined in Section 402(c) of the Code, be transferred directly to the Plan. Rules similar to those applicable to "rollover contributions" shall apply to amounts transferred directly to the Plan.

(c) Participants who are also covered under the Raytheon Stock Ownership Plan and who are entitled to diversify their accounts under such plan, may direct that the portion of their account which is eligible for diversification under such plan be transferred to the Plan. Rules similar to those applicable to "rollover contributions" shall apply to amounts transferred to this Plan except that such transferred amounts shall not be eligible for loans or withdrawals.

(d) Effective April 1, 1997, an Eligible Employee may transfer into the Plan qualified rollover amounts (as defined in Section 401 of the Code) received from other qualified plans subject to Section 401(K) or Section 401(m) of the Code without regard to whether the Eligible Employee has completed a Period of Service of three (3) consecutive months commencing on the Employment Commencement Date or Reemployment Commencement Date as applicable.

(e) Account balances, including loan balances, held in other defined contribution plans sponsored by members of the Raytheon controlled group of corporations by Participants in this Plan shall be transferred to this Plan on the following conditions:

(i) the account balances, including loan balances, held by Participants in the following six plans: (1) Raytheon Aerospace Support Services, Inc. Union Salary Savings Plan; (2) Raytheon Aerospace Support Services, Inc. Non-Union Salary Savings Plan; (3) Raytheon Aerospace Support Services, Inc. Columbus Air Force Base, Mississippi, Union Salary Savings Plan; (4) Raytheon Aerospace Support Services, Inc. Columbus Air Force Base, Mississippi, Non-Union Salary Savings Plan; (5) Raytheon Aerospace Support Services, Inc. - U.S. Customs Union Salary Savings Plan; (6) Raytheon Aerospace Support Services, Inc. - U.S. Customs Non-Union Salary Savings Plan will be transferred to this Plan on August 1, 1996, or as soon thereafter as is administratively feasible;

(ii) the account balances held by Participants in the Raytheon Support Services Company Money Accumulation Plan, except those Participants who are employees of Raytheon Support Services Company assigned to the Patrick Air Force Base Logistics Contract, will be transferred to this Plan on January 1, 1997, or as soon thereafter as is administratively feasible. Separate sub-accounts shall be established for the transferred amounts and earnings thereon, all of which are after-tax monies. Distribution of such sub-accounts shall be made in the form of a lump sum except that Participants may elect to receive the amount transferred (but not earnings thereon subsequent to the transfer) in the form of an immediate annuity or in a combination of lump sum and immediate annuity as selected by the Participant. The insurer shall provide a description of the forms of immediate annuity available under the group annuity contract for purposes of informing Participants thereof. The forms of immediate annuity available under the group annuity contract shall always include a qualified joint and

survivor annuity within the meaning of the Retirement Act as amended from time to time. Any election of a form of annuity payment other than a qualified joint and survivor annuity must be consented to in writing by the Participant's spouse (which consent shall be notarized or witnessed by a representative of the Plan). No method of payment providing for a guaranteed number of monthly annuity payments may be selected if such payments would extend beyond the actual life expectancy of the Participant and his or her spouse, and further provided that the value of any payment to a beneficiary shall be less than fifty percent (50%) of the value of Participant's interest under this Plan determined as of the commencement date of Participant's annuity.

3.7 Refund of Contributions to the Companies -- Notwithstanding the provisions of Article XII, if, or to the extent that, the Companies' deductions for contributions made to the Plan are disallowed, the Companies will have the right to obtain the return of any such contributions for a period of one year from the date of disallowance. For this purpose, all Elective Deferrals are made subject to the conditions that they are deductible under the Code for the taxable year of the Companies for which the contribution is made. Furthermore, any contribution made by the Companies on the basis of a mistake in fact may be returned to the Companies within one year from the date such contribution was made.

3.8 Non-Elective Contributions -- Specified Amounts -- Each of the Companies may make contributions to the Plan on behalf of Employees in Covered Units, provided that the name of the unit, the effective date of such contributions and the specified amount is set forth on Appendix B hereto. Such contributions and the contributions described in Section 3.9 shall be Qualified Non-Elective Contributions as defined in Section 3.2(f)(iv) and shall be included in determining the actual deferral percentage under Section 3.2. If the contributions described in this Section 3.8 and in Section 3.9 are made on behalf of an Employee who is not a Participant, an Account shall be established for such Employee and the Employee shall have the right to elect investment options under Section 4.1. If the Employee does not make a valid election in which investment options are designated for 100% of the Participant's Account, then 100% of Participant's Account shall be invested in Fund B, a fixed income fund. The Employee may, in accordance with Sections 4.2 and 4.3, change the investment allocation for future deferrals and transfer account balances between investment funds.

3.9. Non-Elective Contributions -- Service Contract Act Reconciliation Amounts -- Each of the Companies may make contributions to the Plan on behalf of Employees in Covered Units consisting of the entire amount or any part of any deficiency between health and welfare and/or pension contributions actually made under a contract covered by the Service Contract Act and the amount of such contribution or contributions required by a wage determination issued under the contract. Such amount shall be calculated in accordance with the formula specified in 29 CFR 4.175 as follows:

The total amount contributed for a month, calendar or contract quarter, or other specified time is divided by the total hours worked under the contract by service employees subject to the Act during the period in question to determine an hourly contribution rate.

The difference between the contribution rate required in the determination and the actual contribution may be contributed to the Plan on behalf of each Employee for purposes of fulfilling the Employer's fringe benefit obligations under the Service Contract Act.

3.10. Matching Contributions - Rust Constructors, Inc. -- Subject to the limitations imposed by the Internal Revenue Code, Rust Constructors, Inc. will match from its net annual profits or net profits the Elective Deferral of each Participant who is employed in the non-union hourly paid unit at one of the following locations: Amoco Chemical Company, Mt. Pleasant, SC; Dayco Products, Springfield, MO; Hoechst Celanese Corporation, Salisbury, NC, at the rate of 100% of the Participant's Elective Deferral, provided that, (i) for any pay period, the matching amount shall not exceed 4.5% percent of Participant's Eligible Compensation for that pay period; (ii) as soon as administratively feasible subsequent to the end of the Plan Year, the differential, if any, in which the amount equal to 100% of the Participant's Elective Deferrals exceeds the amount of Matching Contributions made for Participant for that year, to an annual maximum of 4.5% of Participant's Eligible Compensation for the Plan Year, will be paid into the Participant's Qualified Non-Elective Contribution Account; and (iii) the Matching Contribution for Participants in the unit at Hoechst Celanese Corporation will be in effect for the period from June 12, 1996 through September 30, 1996, only.

3.11 Limitations on Matching Contributions.

(a) In no event may the Matching Contributions made on behalf of all Higher Paid Eligible Employees, or forfeitures allocated to the Accounts of such Employees, who have satisfied the eligibility requirements of Article II with respect to any Plan Year result in an Actual Contribution Percentage for such group of Higher Paid Eligible Employees which exceeds the greater of (i) or (ii) where:

(i) is an amount equal to 125 percent of the Actual Contribution Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year; and

(ii) is an amount equal to the Actual Contribution Percentage for all Non-Higher Paid Eligible Employees who have satisfied the eligibility requirements of Article II with respect to such Plan Year and two percent (2%), provided that such amount does not exceed 200 percent of such Actual Contribution Percentage.

(b) The Administrator shall be authorized to implement rules authorizing or requiring reductions in Matching Contributions that may be made by Higher Paid Eligible Employees during the Plan Year (prior to any contributions to the Trust Fund), so that the limitation of Section 3.11(a) is satisfied.

(c) The Company may in its discretion make Qualified Non-Elective Contributions to the accounts of certain Non-Higher Paid Eligible Employees to the extent required to satisfy the limitations of Section 3.11(a).

(d) If the limitation under Section 3.11(a) is exceeded in any Plan Year, the Excess Amounts made on behalf of Higher Paid Eligible Employees with respect to a Plan Year (and earnings allocable thereto) shall then be distributed to such Higher Paid Eligible Employees as soon as practicable after the end of such Plan Year (or, if forfeitable under the terms of the Plan, forfeited), but no later than the last day of the immediately following Plan Year. The Excess Amounts distributed shall include both the Matching Contributions and the income allocable thereto. The amount of income allocable to Excess Amounts shall be determined in accordance with the regulations issued under Section 401(m) of the Code and shall include income or the Plan Year to which the Excess Amounts relate.

(e) Elective Deferrals and Matching Contributions shall be further limited to the extent required to prevent prohibited multiple use of the alternative limitations described in Sections 401(k)(3)(A)(ii)(II) and 401 (m)(2)(A)(ii) of the Code and the provisions of Reg. 1.401(m)-2(b) and any further guidance issued thereunder. If such multiple use occurs, the Actual Contribution Percentage for all Higher Paid Eligible Employees (determined after applying the foregoing provisions of this Section 3.11) shall be reduced in accordance with Reg. 1.401(m)-2(c) and any further guidance issued thereunder in order to prevent such multiple use of the alternative limitation.

(f) The Administrator may utilize any combination of the methods described in Sections 3.11(b), (c) and (d) to assure that the limitations of Sections 3.11(a) and (e) are satisfied.

(g) For purposes of this Section 3.11, the following definitions and special rules shall apply:

(i) The term "Annual Earnings" shall have the meaning specified in Sections 3.2(f)(i).

(ii) The term "Actual Contribution Percentage" shall mean, with respect to any group of actively employed Eligible Employees who have satisfied the eligibility requirements of Article II for a Plan Year, the average of the ratios, calculated separately for each such Eligible Employee in the group, of:

(A) The amount of Matching Contributions paid to the Trust Fund for such Plan Year on behalf of the Eligible Employee plus the amount of forfeitures allocated to the Eligible Employee's Account, divided by

(B) The Eligible Employee's Annual Earnings, including any Elective Deferrals made by the Companies to the Plan on behalf of the Eligible Employee or any pre-tax election contributions under a "cafeteria plan" (as defined in Section 125 of the Code and applicable regulations) maintained by the Companies for such Plan Year.

Matching Contributions and forfeitures shall be taken into account for a Plan Year only if such amounts are allocated to the Eligible Employee's Account as of a date within that Plan Year, such amounts are actually paid to the Trust no later than 12 months after the Plan Year to which the contribution relates and such amounts are contributed on account of Elective Deferrals for such Plan Year.

(iii) The term "Excess Amounts" shall mean with respect to each Higher Paid Eligible Employee, the amount equal to the total Matching Contributions made on behalf of the Eligible Employee together with the forfeitures allocated to the Eligible Employee's Account (determined prior to the application of the leveling procedure described below) minus the product of the Eligible Employee's Actual Contribution Percentage (determined after the leveling procedure described below) multiplied by the amount specified in Section 3.11(g)(ii)(B) above. In accordance with the regulations issued under Section 401(m) of the Code, Excess Amounts shall be determined by a leveling procedure under which the Actual Contribution Percentage of the Higher Paid Eligible Employee with the highest such percentage shall be reduced to the extent required to enable the limitation of Section 3.11(a) to be satisfied or, if it results in a lower reduction, to the extent required to cause such Higher Paid Eligible Employee's Actual Contribution Percentage to equal the Actual Contribution Percentage of the Higher Paid Eligible Employee with the next highest Actual Contribution Percentage. This leveling procedure shall be repeated until the limitation of Section 3.11(a) is satisfied.

(iv) The term "Qualified Non-Elective Contributions" shall have the meaning specified in Section 3.2(f)(iv).

(v) In the event the Companies maintain two or more plans that are treated as a single plan for purposes of Sections 401(a)(4) and 410(b) of the Code (other than Section 410(b)(2)(A)(ii) of the Code), all Matching Contributions and forfeitures under the two plans shall be treated as made under a single plan, and if two or more of such plans are permissibly aggregated for purposes of Section 401(m) of the Code, such plans shall be treated as a single plan for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code.

(vi) In determining the Actual Contribution Percentage of a Higher Paid Eligible Employee, all plans in which such Higher Paid Eligible Employee is eligible to participate shall be treated as a single arrangement.

(vii) The family aggregation rules of Section 414(q)(6) of the Code shall apply to any Higher Paid Eligible Employee who is a five percent owner or one of the ten most highly compensated Higher Paid Eligible Employees. The Actual Contribution Percentage for the family group, which is treated as one Higher Paid Eligible Employee, is the Actual Contribution Percentage determined by combining the contributions and compensation of all eligible Family Members. Except to the extent taken into account in this Paragraph (vii), the contributions and compensation of all Family Members are disregarded in determining the Actual Contribution Percentages for all Employees.

(h) The limitations of this Section 3.11 shall apply to Plan Years beginning on or after January 1, 1987.

(I) Notwithstanding anything in the Plan to the contrary, if the rate of Matching Contributions, determined after application of the corrective mechanisms described in Section 3.2, discriminates in favor of Higher Paid Eligible Employees, any such amounts attributable to any Excess Amounts (as described in Subsection 3.2(f)(iii)) of each affected Higher Paid Eligible Employee shall be forfeited so that the rate of Matching Contribution is nondiscriminatory. Any such forfeitures shall be made no later than the end of the Plan Year following the Plan Year for which the Matching Contribution was made and shall be used to reduce future Matching Contributions.

ARTICLE IV - INVESTMENT OF ACCOUNTS

4.1 Election of Investment Options -- Upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Account be invested in increments of one percent (1%) in one or more of the following investment options:

Fund A - an equity fund designated by the Administrator;

Fund B - a fixed income fund designated by the Administrator;

Fund C - Raytheon Company common stock fund;

Fund D - a stock index fund designated by the Administrator,

Fund E - a balanced fund designated by the Administrator;

Fund F - a growth fund, designated by the Administrator, investing primarily in equities of companies of all types and sizes;

Fund G - a growth fund, designated by the Administrator, investing primarily in equities of well-known and established companies.

In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion.

In the event that a Participant fails to designate the investment option for 100% of the Participant's account or erroneously designates the investment of more than 100%, the investment designation will be a nullity and the Enrollment Agreement will be returned to the Eligible Employee. If the Enrollment Agreement is corrected and returned, enrollment will not be effective until the next Entry Date with respect to which the notice requirements set forth in Section 2.3 are satisfied.

4.2 Change in Investment Allocation of Future Deferrals -- Each Participant may elect to change the investment allocation of future Elective Deferrals and rollover contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to Fidelity. Any changes must be made in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3 Transfer of Account Balances Between Investment Funds -- Each Participant may elect to transfer all or a portion of the amount in the Participant's Employee Account and Rollover Contribution Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to Fidelity. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to Fidelity. In determining the amount of the transfer, the Participant's Account shall be valued as of the close of business on the Valuation Date on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Valuation Date.

4.4 Ownership Status of Funds -- The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D, E, F and G and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D, E, F and G in a cash amount and shall reflect each Participant's portion of Fund C in cash and unitized shares of stock.

4.5 Voting Rights -- Participants whose Accounts have shares of participation in the Raytheon Company Common Stock Fund on the last business day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in the Raytheon Common Stock Fund by the closing price of Raytheon Common Stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote Participant's shares as recommended by management. In addition, each Participant shall have the right to accept or reject any tender or exchange offer for shares of common stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of Raytheon Common Stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from an individual Participant shall be held in confidence by the Trustee and shall not be divulged to the Companies or to any officer or employee thereof or to any other person.

ARTICLE V - VESTING

5.1 Vesting Status -- Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Account.

ARTICLE VI - WITHDRAWALS AND DISTRIBUTIONS

6.1 In-Service Withdrawal - Employee and Qualified Non-Elective Contribution Accounts -- While in a Period of Service, a Participant may withdraw assets from his or her Account as follows:

(a) all or a portion of the Participant's Employee Account and Qualified NonElective Contribution Account upon attainment of age 59 1/2 or

(b) a distributable amount (as defined in Treas. Reg. 1.401(k)-1(c)(2) on account of a hardship as defined in the regulation. A distribution is made on account of a hardship only if the distribution both is made on account of an immediate and heavy financial need of the Participant and is necessary to satisfy the financial need. The distributable amount is equal to the Participant's total Elective Deferrals as of the date of distribution reduced by the amount of previous distributions on account of hardship and increased by that portion of income allocable to Elective Deferrals which was credited to the Participant's Account as of December 31, 1988.

Withdrawals from the Employee Accounts of less than $250 will not be permitted. Withdrawals will be based upon the value of the Account as of a date established by the Administrator through the application of a uniform and equitable rule and will be effected by telephone notice to Fidelity. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, will be made in cash; withdrawals from Fund C will be made in either cash or stock (with cash for fractional or unissued shares) as elected by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Employee Account.

6.2 Documentation Required For Financial Hardship Withdrawals --

(a) A Participant requesting a withdrawal of the distributable amount of the Participant's Employee Account due to reasons of immediate and heavy financial need must submit such documentation or information in other form as required by the Administrator and shall advise Fidelity by telephone notice or such other means as established by the Administrator's rules then in effect of the existence of an immediate and heavy financial need and the fact that the need will be satisfied by the requested distribution.

(b) The Participant shall represent that this financial need cannot be satisfied by any of the following sources: through reimbursement or compensation by insurance or otherwise; by liquidation of the Participant's assets; by cessation of Elective Deferrals under the Plan; or by other distributions or non-taxable (at the time of the loan) loans currently available from plans maintained by the Employer or by any other employer, or by borrowing from commercial sources on reasonable commercial terms.

(c) For purposes of Section 6.1, "immediate and heavy financial need" is limited to financial need arising from the following specific causes: expenses for medical care (as described in 213(d) of the Code) incurred by the Participant, the Participant's spouse or any dependents (as defined in 152 of the Code) of the Participant, or which are necessary for these persons to obtain medical care described in 213(d) of the Code; costs directly related to the purchase of a principal residence for the Participant (excluding mortgage payments); payment of tuition and related educational expenses for the next twelve months of post-secondary education for the Participant, or the Participant's spouse, children, or dependents (as defined in 152 of the Code); to prevent the eviction from or foreclosure on the Participant's principal residence; or any other circumstance, as determined by the Administrator based upon all the relevant facts, establishing substantial justification for the withdrawal.

6.3 Suspension of Elective Deferrals for Financial Hardship Withdrawals. If a Participant's application for a hardship withdrawal is approved and the withdrawal effected, Participant's Elective Deferrals will be suspended for a period of one year from the date of withdrawal. Thereafter, Elective Deferrals shall be in the same amount and with the same investment options as in effect prior to the withdrawal unless notice by telephone or in writing giving other instructions is received by Fidelity prior to the expiration of the one-year period from the withdrawal.

6.4 In-Service Withdrawal - Rollover Contribution Account -- A Participant may withdraw all or a portion of the Participant's Rollover Contribution Account. Withdrawals will be based upon the value of the account as of the date established by the Administrator through the application of a uniform and equitable rule by telephone notice to Fidelity. Withdrawals will be based upon the value of the Account as determined under Section 6.8. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D and E will be made in cash. Withdrawals from Fund C will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

6.5 Redeposits Prohibited -- No amount withdrawn pursuant to Sections 6.1, 6.4 or 6.6 may be redeposited in the Plan.

6.6 Distribution --

(a) Distribution of the Participant's Employee, Rollover Contribution and Qualified Non-Elective Contribution Accounts will be made upon the Retirement, Disability (as defined in Section 14.14), death, Severance from Service (as defined in Section 14.47) or Layoff (as defined in Section 14.27) of the Participant; or, to an alternate payee, upon issuance of a Qualified Domestic Relations Order (as defined in Section 414(p) of the Internal Revenue Code and the Retirement Equity Act). In the event of the death of a Participant, the distribution shall be made to the Participant's Beneficiary. The standard form of distribution will be a lump sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right) which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant to Fidelity for the distribution. Distributions will be based upon the value of the Account as determined under Section 6.8. Distribution of

the amounts in said accounts in the funds designated in Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, will be made in cash. Distribution of any amount in said accounts in Fund C (Raytheon Company stock) will be made in either cash or, if elected by the Participant or, in the case of death, the Participant's Beneficiary, stock. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of a Participant's Account is to be made, such payment shall be made in a lump sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary notwithstanding: the Participant's (a) spouse, (b) children and issue of deceased children by right of representation, (c) parents, (d) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (e) executors or administrators.

(b) In the event that upon a Participant's Severance from Service Date the Participant has a Nonforfeitable right to an Account in the Plan which exceeds Thirty-Five Hundred Dollars ($3,500), the Participant shall have the option of not receiving an immediate distribution of the amount in his or her Account.

(c) Except as provided by Section 401(a)(9) of the Code as referenced in this Section, benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(1) attainment by the Participant of Normal Retirement Age;

(2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or

(3) Participant's Severance from Service.

If the amount of the benefit payable to a Participant has not been ascertained by the sixtieth (60th) day after the close of the Plan Year in which the latest of the three events described in clauses (1), (2) and (3) above occurred, or Participant cannot be located after reasonable efforts to do so, then payment retroactive to said sixtieth (60th) day after the close of the Plan Year in which the latest of the three events occurred may be made no later than sixty (60) days after the later of the earliest date on which the amount of such payment can be ascertained under the Plan or the earliest date on which the Participant is located.

(d) To the extent required by Section 401(a)(9) of the Code, distributions of Participants' Accounts will be made to Participants who attain age 70 1/2.

(e) In the event amounts are transferred to this Plan from another plan qualified under Section 401(a) of the Code (other than amounts described in Section 3.6(b)), any distribution or withdrawal rights available to the Participant under such other plan which are protected under Section 411(d)(6) of the Code shall be available to the Participant under this Plan.

6.7 Direct Rollovers -- Effective January 1, 1993, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this paragraph, the following terms shall have the following meanings:

(a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income.

(b) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code or a qualified trust described in Section 401(a) of the Code that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, the term is limited to an individual retirement account or individual retirement annuity.

(c) Distributee: A distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(d) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

6.8 Determination of Amount of Withdrawal or Distribution. In determining the amount of any withdrawal or distribution hereunder, the Participant's Account shall be valued as of the close of business on the Valuation Date on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Valuation Date.

6.9 Sale or Divestiture of Business -- Notwithstanding the provisions of Section 14.50(g), a Participant whose employment is terminated by reason of the sale or divestiture of assets or stock of a business may withdraw part or all of his or her Account if otherwise permitted by law.

ARTICLE VII - LOANS

7.1 Availability of Loans - Participants may borrow against all or a portion of the balance in the Participant's Account subject to the limitations set forth in this Article. Participants who have incurred a Severance from Service will not be eligible for a Plan loan. The Vice President, Human Resources, is authorized to administer this loan program and may establish uniform and equitable rules to resolve issues not specifically covered in this Article.

7.2 Minimum Amount of Loan - No loan of less than $500 will be permitted.

7.3 Maximum Amount of Loan - No loan in excess of fifty percent (50%) of the aggregate value of a Participant's Account balances will be permitted. In addition, limits imposed by the Internal Revenue Code and any other requirements of applicable statute or regulation will be applied. Under the current requirements of the Internal Revenue Code, if the aggregate value of a Participant's Account exceeds $20,000, the loan cannot exceed the lesser of one-half (1/2) the Nonforfeitable aggregate value or $50,000 reduced by the excess of (a) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan was made over (b) the outstanding balance of loans from the Plan on the date on which such loan was made.

7.4 Effective Date of Loans -- Loans will be effective as specified in the Administrator's rules then in effect.

7.5 Repayment Schedule -- The Participant may select a repayment schedule of 1, 2, 3, 4 or 5 years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to 15 years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Companies, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump sum. The minimum repayment amount per pay period is $10 for Participants paid weekly and $50 for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan.

7.6 Limit on Number of Loans -- No more than two loans may be outstanding at any time.

7.7 Interest Rate -- The interest rate for a loan pursuant to this Article will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective at any time during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective at any time during the period January 1 through June 30 thereafter.

7.8 Effect Upon Participant's Employee Account -- Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Accounts in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Employee Account and Rollover Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9 Effect of Severance From Service and Non-Payment -- In the event that a loan remains outstanding upon Severance from Service of a Participant, the Participant will be given the option of continuing to repay the outstanding loan. In any case where payments on the outstanding loan are not made within 90 days of the Participant's Severance from Service Date, the amount of any unpaid principal will be deducted from the Participant's Account and reported as a distribution. If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after Participant returns to active employment with the Employer, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension. In the event the Participant does not return to active employment with the Employer, the Participant will be given the option of continuing to repay the outstanding loan. If the Participant fails to resume payments on the loan, the outstanding loan will be reported as a taxable distribution. In no event, however, shall the loan be deducted from the Participant's Account earlier than the date on which the Participant (i) incurs a Severance from Service or (ii) attains age 59-1/2.

ARTICLE VIII - LIMITATIONS OF SECTION 415 OF THE CODE

8.1 Maximum Permissible Amount of a Participant's Annual Addition -- The total for any Limitation Year of the annual additions to a Participant's Account under this Plan when added to the annual additions to a Participant's account under any qualified defined contribution plan maintained by the Employer shall not exceed the lesser of (i) twenty-five percent (25%) of total compensation from the Employer, and (ii) $30,000 or, if greater, one-fourth of the defined benefit dollar limitation set forth in Section 415(b)(1) of the Code as in effect for the Limitation Year.

For purposes of this Section 8.1, the term "annual addition" shall mean, with respect to any Limitation Year, Elective Deferrals and Qualified Nonelective Contributions, if any, to this Plan, plus the sum of the following amounts allocable for such Plan Year to the Participant's accounts in all other qualified plans maintained by the Employer in which he participates: (1) employer contributions (including pre-tax contributions), (2) forfeitures which have been reallocated to the Participant's account, (3) Participant after-tax contributions; and (4) amounts described in Sections 415(l)(1) and 419A(d)(2) of the Code.

For purposes of this Section 8.1, the term "compensation" shall mean all amounts paid to an Employee for personal services actually rendered to the Companies and Affiliates, including, but not limited to, wages, salary, commissions, bonuses, overtime and other premium pay as specified in Reg. 1.415-2(d)(2), but excluding deferred compensation, stock options, and other distributions which receive special tax treatment as specified in Reg. 1.415-2(d)(3).

8.2 Reduction of Annual Additions -- In the event it is determined that the annual additions to a Participant's accounts under this Plan or any other qualified defined contribution plan maintained by the Employer for any limitation year would be in excess of the limitations of Section 8.1, such annual additions shall be reduced to the extent necessary to bring them within such limitations. If, as a result of a reasonable error in estimating a Participant's Eligible Compensation, a reasonable error in determining the amount of Elective Deferrals that may be made with respect to any Participant, or under other limited facts and circumstances which the Internal Revenue Service finds justify the availability of the remedies contained herein, the Administrator, in coordination with the administrator of any other defined contribution plan maintained by the Employer, shall reduce the annual additions which have been made to a Participant's accounts to the acceptable limit by the following procedures, or a pro rata basis, in the following order:

(a) by returning to the Participant any voluntary or mandatory Employee contributions made to the Raytheon Support Services Company Money Accumulation Plan or any other defined contribution plan maintained by the Employer;

(b) to the extent the limitation is still exceeded, Elective Deferrals to this Plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be distributed to the Participant; and

(c) to the extent such limitation is still exceeded, any Qualified Non-Elective Contribution to Participant's account in this Plan or other defined contribution plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such LImitation Year, shall be reduced to the extent necessary to reduce annual additions to the acceptable limit;

(d) to the extent the limitation is still exceeded, any Matching Employer Contributions to this Plan, or other defined contribution plan qualified under Section 401(k) of the Code maintained by the Employer during such Limitation Year, shall be reduced to the extent necessary to decrease Participant's annual additions to the acceptable limit;

(e) to the extent the limitation is still exceeded, excess annual additions in the Participant's Account in the Raytheon Stock Ownership Plan (RAYSOP) shall be used to reduce allocations for the next Limitation Year (and succeeding Limitation Years, as necessary) for that Participant if the Participant is covered by the plan at the end of such Limitation Year. In the event the Participant is not covered by such plan at the end of the Limitation Year, any excess annual additions which remain must, as provided in Reg. 1.415-6(b)(6)(ii), be held unallocated in a suspense account for the Limitation Year and reallocated in the next Limitation Year to all of the remaining Participants in proportion to their RAYSOP allocation in such Plan Year.

8.3 Coordination with Limitation on Benefit from All Plans -- Notwithstanding any other provisions in this Plan to the contrary, in the case of a Participant who also participates in any qualified defined benefit plan which is maintained by the Employer (whether or not terminated), the sum of the defined benefit plan fraction and the defined contribution plan fraction may not exceed 1.0 for any Limitation Year. The defined benefit plan fraction for any Limitation Year is a fraction, the numerator of which is the projected annual benefit of the Participant under the plan (determined as of the close of the Limitation Year); and the denominator of which is the lesser of (i) the product of 1.25, multiplied by the dollar limitation applicable to defined benefit plans, in effect under applicable law for such Limitation Year; or (ii) the product of 1.4 multiplied by one hundred percent (100%) of the Participant's average compensation for the three consecutive calendar years during which he had the highest aggregate compensation from the Employer. The defined contribution plan fraction for any Limitation Year is a fraction, the numerator of which is the sum of the annual additions (as defined in Section 8.1) to the Participant's Accounts as of the close of the Limitation Year; and the denominator of which is the sum of the lesser of the following amounts determined for the current Limitation Year and each prior Limitation Year: (i) the product of 1.25 multiplied by the dollar limitation applicable to defined contribution plans, in effect under applicable law for the Limitation Year; or (ii) the product of 1.4 multiplied by 25% of such Participant's total compensation for the Limitation Year. In the event that the limitation set forth above is exceeded, adjustments shall be made in the defined benefit plan.

8.4 Effective Date -- This Article VIII shall be effective for Limitation Years beginning on or after January 1, 1987.

ARTICLE IX - LIMITATIONS OF SECTION 416 OF THE CODE

9.1 General Rule -- In the event that the Plan becomes top heavy with respect to a Plan Year commencing on or after January 1, 1988, the provisions of this Article shall apply.

9.2 Definitions --

(a) Key Employee: Any Employee or former Employee (and the Beneficiaries of such Employee) who at any time during the determination period was an office of the Employer, an owner (or considered an owner under Section 415(c)(1)(A) of the Code) of one of the ten largest interests in the Employer if such individual's compensation exceeds 150 percent of the dollar limitation under Section 415(c)(1)(A) of the Code, a five percent (5%) owner of the Employer, or a one percent (1%) owner of the Employer who has an annual compensation of more than $150,000. The determination period of the Plan is the Plan Year containing the determination date and the four (4) preceding Plan Years. The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the regulations thereunder.

(b) Non-Key Employee: Any Employee who is not a Key Employee.

(c) Top-Heavy Ratio:

(i) If the Employer maintains one or more defined benefit plans and the Employer has never maintained any defined contribution plans (including any simplified employee pension plan) which has covered or could cover a Participant in this Plan, the Top-Heavy Ratio is a fraction, the numerator of which is the sum of the present value of accrued benefits of all Key Employees as of the determination date (including any part of any accrued benefit distributed in the five-year period ending on the determination date), and the denominator of which is the sum of all accrued benefits (including any part of any accrued benefit distributed in the five-year period ending on the determination date) of all Participants as of the determination date.

(ii) If the Employer maintains one or more defined contribution plans (including any simplified employee pension plan) and the Employer maintains or has maintained one or more defined benefit plans which have covered or could cover a Participant in this Plan, the Top-Heavy Ratio is a fraction, the numerator of which is the sum of account balances under the defined contribution plans for all Key Employees and the present value of accrued benefits under the defined benefit plans for all Key Employees, and the denominator of which is the sum of the account balances under the defined contribution plans for all Participants and the present value of accrued benefits under the defined benefit plans for all Participants. Both the numerator and denominator of the Top-Heavy Ratio are adjusted for any distribution of an account balance or an accrued benefit made in the five-year period ending on the determination date and any contribution due but unpaid as of the determination date.

(iii) For purposes of (i) and (ii) above, the value of account balances and the present value of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date. The account balances and accrued benefits of a Participant who is not a Key Employee but who was a Key Employee in a prior year will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans, the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year. The accrued benefit of a Participant other than a Key Employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(d) Permissive aggregation group: The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

(e) Required aggregation group: (i) Each qualified plan of the Employer in which at least one Key Employee participates, and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Sections 401(a)(4) and 410 of the Code.

(f) Determination date: For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, the last day of that year.

(g) Valuation date: The last day of each Plan Year.

(h) Present Value: Present Value shall be based only on the interest rate used by the Administrator to determine compliance with the funding requirements under the Retirement Act and the mortality rates specified on an appropriate current unisex table.

9.3 Determination as to Whether the Plan is Top Heavy -- The Administrator shall determine whether the Plan is top heavy within the meaning of Section 416. The Plan shall be top heavy for any Plan Year beginning after December 2, 1987, if, as of the last day of the preceding Plan Year (the "determination date"), any of the following conditions exist:

(a) If the Top-Heavy Ratio for this Plan exceeds sixty percent (60%) and this Plan is not part of any required aggregation group or permissive aggregation group of plans;

(b) If this Plan is a part of a required aggregation group of plans (but which is not part of a permissive aggregation group) and the Top-Heavy Ratio for the group of plans exceeds sixty percent (60%); or

(c) If this Plan is a part of a required aggregation group of plans and part of a permissive aggregation group and the Top-Heavy Ratio for the permissive aggregation group exceeds sixty percent (60%).

In determining whether the Plan is top heavy for Plan Years commencing after December 31, 1988, the Account balance of a Participant who has not performed an Hour of Service for the Employer at any time during the five-consecutive-year period ending on the determination date shall be excluded from the calculation of the Top Heavy Ratio.

9.4 Minimum Contribution -- For each Plan Year with respect to which the Plan is top heavy, the minimum amount allocated under the Plan for the benefit of each Participant who is a Non-Key Employee and who is otherwise eligible for such an allocation shall be the lesser of:

(a) Three percent (3%) of the Non-Key Participant's compensation (within the meaning of Section 415 of the Code) for the Plan Year, or

(b) the Non-Key Participant's compensation (as defined in Section 415 of the Code) times a percentage equal to the largest percentage of such compensation (not exceeding $200,000, $150,000 for Plan Years beginning on or after January 1, 1994) allocated to any Key Employee for the Plan Year under this Plan and all other defined contribution plans in the same required aggregation group. This clause (b) shall not apply to any plan required to be included in an aggregation group if such plan enables a defined benefit plan required to be included in such group to meet the requirements of Section 401(a)(4) or Section 410 of the Code.

This paragraph shall not apply to a Participant covered under a qualified defined benefit plan maintained by the Employer if the Participant's vested benefit thereunder satisfies the requirements of Section 416(c) of the Code. Notwithstanding any other language herein, a Non-Key Eligible Employee may not fail to receive a defined contribution minimum allocation because either (1) said Eligible Employee was excluded from participation (or accrues no benefit) merely because the Employee's compensation is less than the stated amount, or (2) the Employee is excluded from participation (or accrues no benefit) merely because of a failure to make Elective Deferrals.

ARTICLE X - THE TRUST FUND

10.1 Trust Agreement -- During the period in which this Plan remains in existence, the Employer or any successor thereto shall maintain in effect a Trust Agreement with a corporate trustee as Trustee, to hold, invest, and distribute the Trust Fund in accordance with the terms of such Trust Agreement.

10.2 Investment of Accounts -- The Trustee shall invest and reinvest the Participant's Accounts in investment options as defined in Section 4.1 as directed by the Administrator or its delegate in writing. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in accordance with Sections 4.2 and 4.3.

10.3 Expenses -- Expenses of the Plan and Trust shall be paid from the Trust.

ARTICLE XI - ADMINISTRATION OF THE PLAN

11.1 General Administration -- The general administration of the Plan shall be the responsibility of Raytheon Company (or any successor thereto) which shall be the Administrator and Named Fiduciary for purposes of the Retirement Act. The Company shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in Article XI, Section 11.2. All such determinations of the Company shall be conclusive and binding on all persons.

11.2 Responsibilities of the Administrator -- The Administrator shall assign responsibility for performance of all necessary administrative duties, including the following:

(a) Determination of all questions which may arise under the Plan with respect to eligibility for participation and administration of accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the Offices of the Executive Vice President - Chief Financial Officer, and the Vice President - Human Resources, of Raytheon Company, respectively, for advice and counsel.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing account balances, designation of beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the Government as required by law.

(f) Appointment of a Trustee or Trustees and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

11.3 Liability for Acts of Other Fiduciaries -- Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his assumption of Fiduciary status or after his termination from such status.

11.4 Employment by Fiduciaries -- Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

11.5 Recordkeeping -- The Administrator shall keep or cause to be kept any necessary data required for determining the account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

11.6 Claims Review Procedure -- The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

Step 1. Claims with respect to an Account should be filed by a claimant as soon as practicable after claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose Account is at issue, by mailing a copy of the claim to the Benefits and Services Department, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173.

Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in Step 1.

Step 4. Within thirty (30) days following receipt of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation of the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

The Administrator is the fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined by the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

11.7 Indemnification of Directors and Employees -- The Companies shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or employee of the Employer, his heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Companies may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Companies.

11.8 Immunity from Liability -- Except to the extent that Section 410(a) of the Retirement Act prohibits the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed under Title I, Subtitle B, Part 4, of said Act, an officer, employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XII - AMENDMENT OR TERMINATION OF THE PLAN

12.1 Right to Amend or Terminate Plan -- Each of the Companies reserves the right at any time or times, by action of the Chairman, the President, the Treasurer or the Vice President, Human Resources of the Company, to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a written direction from an authorized officer, approving such modification, amendment or termination shall be delivered to the Trustee and to the other Companies whose Employees are covered by this Plan, provided, however, no amendment to the Plan shall be made which shall:

(a) deprive any Participant of amounts allocated to his Account prior to the date of the amendment;

(b) except as provided in Section 3.8, make it possible for any part of the corpus or income of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of the Participants or their beneficiaries prior to the satisfaction of all liabilities with respect to such Participant or their Beneficiaries;

(c) modify the vesting schedule and deprive a Participant of his Nonforfeitable rights to amounts allocated to his account prior to the date of the amendment. Further, if the vesting schedule of the Plan is amended, or the Plan is amended to directly or indirectly affect a Nonforfeitable percentage of a Participant's Account, each Participant with a Period of Service of at least three years may elect, within a reasonable period after the adoption of the amendment to have his nonforfeitable percentage computed under the Plan without regard to such amendment. The period during which the election may be made shall commence with the date the amendment is adopted or the change made and shall end on the latest of:

(i) 60 days after the amendment is adopted;

(ii) 60 days after the amendment becomes effective, or

(iii) 60 days after the Participant is issued written notice of the amendment;

(d) increase the duties of liabilities of the Trustee without its consent.

Notwithstanding the foregoing provisions of this Section or any other provisions of this Plan, any modification or amendment of the Plan may be made retroactively if necessary or appropriate to conform the Plan with, or to satisfy the conditions of, the Retirement Act, the Code, or any other law, governmental regulation or ruling.

Any termination, modification or amendment of the Plan shall be subject to approval by the Board of Directors of the Company.

12.2 Maintenance of Plan -- The Company has established the Plan with the bona fide intention and expectation that it will continue the Plan indefinitely, but the Company is not and shall not be under any obligation or liability whatsoever to maintain the Plan for any given length of time.

12.3 Termination of Plan and Trust -- The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Company specifying the date as of which the Plan and Trust shall terminate;

(b) Adjudication of the Company as bankrupt or general assignment by the Company to or for the benefit of creditors or dissolution of the Company;

In the event of the complete termination of this Plan (but a rescission under Section 13.2 for failure to qualify initially is not such a termination), the rights of each Participant to the amounts then credited to his or her Account shall be Nonforfeitable. In the event of the partial termination of this Plan, the rights of each Employee (as to whom the Plan is considered terminated) to the amounts then credited to his or her Account, shall be Nonforfeitable. Whether or not there is a complete or partial termination of

this Plan shall be determined under the regulations promulgated pursuant to the Internal Revenue Code. To the extent this paragraph is inconsistent with any provisions contained elsewhere in this Plan or in the Trust which forms a part of this Plan, this paragraph shall govern. Upon such termination of the Plan and Trust, after payment of all expenses and proportional adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations to the date of termination, each Participant or former Participant shall, subject to the requirements of Section 401(k)(10) of the Code and Reg. 1.401(k)-1(d)(3), be entitled to receive any amounts then credited to his or her Account in the Trust Fund. The Trustee may make payments in cash or, to the extent permitted by Section 6.6, in stock.

ARTICLE XIII - ADDITIONAL PROVISIONS

13.1 Effect of Merger, Consolidation or Transfer -- In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

13.2 Necessity of Initial Qualification -- This Plan is established with the intent that it shall qualify under Sections 401(a) and 401(k) of the Code as that section exists at the time the Plan is established. If the Internal Revenue Service determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination all of the vested assets of the Trust Fund held for the benefit of Participants and their beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code.

13.3 Limitation of Assignment -- No account under the Plan shall be subject in any manner to attachment, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, or the vesting of rights in any person by operation of law or otherwise except as provided under this Plan, including but not limited to the Trustee or Receiver in Bankruptcy, and any attempt so to anticipate, alienate, sell, transfer, assign, encumber or charge the same shall be void, nor shall any such benefit be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such benefit. If any Participant is adjudicated bankrupt, or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan, then such benefit shall, in the discretion of the Administrator, cease and terminate and in that event the Trustee shall hold or apply the same or any part thereof to or for the benefit of such Participant in such manner as the Administrator may direct. Notwithstanding the foregoing, the Administrator is authorized to comply with a domestic relations order determined by it to be a qualified domestic relations order as defined in Section 414(p) of the Code. A distribution may be made to an alternate payee under a qualified domestic relations order in the form of a lump sum payment at the time specified in such order, regardless of any restrictions on the commencement of the distribution that then may apply to the Participant to whom the order relates.

13.4 Limitation of Rights of Employees -- This Plan is strictly a voluntary undertaking on the part of the Companies and shall not be deemed to constitute a contract between any of the Companies and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Companies or shall interfere with the right of any of the Companies to discharge or otherwise terminate the employment of any Employee of the respective company at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

13.5 Construction -- The Plan shall be construed, regulated, and administered under the laws of the Commonwealth of Massachusetts, except to the extent that the Retirement Act otherwise requires. In the event that any provision of this Plan is inconsistent with any provision in the Retirement Act, the provision in the Retirement Act shall be deemed to be controlling.

13.6 Merger of Raytheon Subsidiary Savings and Investment Plan -- Effective as of December 31, 1994, or such earlier date as is determined to be administratively feasible (the "Merger Date"), the Raytheon Subsidiary Savings and Investment Plan shall be merged into this Plan. All assets held pursuant to the Raytheon Subsidiary Savings and Investment Plan shall be transferred to the Trustee, such transfer to be effective as of the Merger Date. Amounts held in the various investment accounts under the Raytheon Subsidiary Savings and Investment Plan and Trust shall be transferred to the investment accounts under the Trust in accordance with procedures established by the Administrator. Upon such transfer, the assets of the Raytheon Subsidiary Savings and Investment Plan shall become assets of this Plan for all purposes hereunder, effective as of the Merger Date, and this Plan shall assume all the liabilities of the Raytheon Subsidiary Savings and Investment Plan, and benefits shall thereafter be allocated and paid pursuant to the provisions of this Plan. All participants in the Raytheon Subsidiary Savings and Investment Plan shall remain fully vested in their accounts which are transferred to this Plan. All withdrawal and distribution options under the Raytheon Subsidiary Savings and Investment Plan shall be made available under this Plan with respect to the transferred accounts to the extent required by Section 411(d)(6) of the Code. Any amendments to this Plan which are effective prior to January 1, 1994 shall be considered as amendments to the Raytheon Subsidiary Savings and Investment Plan as well.

13.7 Transfer of Assets to Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees -- Effective as of December 5, 1994, the account balances of those Participants who are employed by Amana Refrigeration, Inc. in the unit represented by Local 2385, International Association of Machinists and Aerospace Workers, at Amana's plant in Fayetteville, Tennessee (the "Transferred Accounts") shall be transferred to the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees. Plan assets equal to the Transferred Accounts shall be transferred to the trustee under the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees, such transfer to be effective as of December 5, 1994. Upon such transfer, this Plan shall cease to have any liability for payment of benefits equal to the Transferred Accounts.

ARTICLE XIV - DEFINITIONS

The following terms have the meaning specified below unless the context indicates otherwise:

14.1 "Account" means the entire interest of a Participant in the Trust Fund and shall consist of an Employee Account and, where applicable, a Rollover Contribution Account, a Matching Contribution Account and a Qualified Non-Elective Contribution Account.

14.2 "Administrator" means Raytheon Company.

14.3 "Affiliate" means a trade or business which together with any of the Companies is a member of (i) a controlled group of corporations within the meaning of Section 414(b) of the Code; (ii) a group of trades or businesses (whether or not incorporated) under common control as defined in Section 414(c) of the Code, or (iii) an affiliated service group as defined in Section 414(m) of the Code, or which is an entity otherwise required to be aggregated with the Companies pursuant to Section 414(o) of the Code. For purposes of Article VIII, the determination of controlled groups of corporations and trades or businesses under common control shall be made after taking into account the modification required under Section 415(h) of the Code. This section shall be effective as of January 1, 1987.

14.4 "Authorized Leave of Absence" means an absence approved by the Companies on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of Employee or relative, death of relative, education of Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Companies within the time period specified by the Companies.

14.5 "Authorized Military Leave of Absence" means any absence due to service in the Armed Forces of the United States, upon completion of which the Employee is entitled under any applicable Federal law to reemployment at the termination of such military service, provided that he returns to the service of the Companies within the period provided for by such applicable Federal law or such further period as may be established by the Administrator. As used in this paragraph, the term "Armed Forces of the United States" excludes the Merchant Marine.

14.6 "Beneficiary" means the person designated by the Participant to receive the value of his Account in the event of his death; provided, however, that if a Participant with a spouse designates a Beneficiary other than his spouse, said designation shall not take effect unless the spouse consents in writing to such designation and said spousal consent acknowledges the effect of said designation and is witnessed by a representative of the Plan or a notary public. Said spousal consent shall be effective only with respect to the spouse granting such consent, and shall not be required if the Participant can establish that there is no spouse, that the spouse cannot be located, or that other conditions exist as may be prescribed by regulations issued by the Secretary of the Treasury. If there is no Beneficiary designated by the Participant or surviving at the death of the Participant, payment of his Account

shall be made in accordance with Section 6.6(a). Subject to the foregoing, a Participant may designate a new beneficiary at any time by filing with the Administrator a written request for such change on a form prescribed by the Administrator. Such change shall become effective only upon receipt of the form by the Administrator, but upon such receipt of the change shall relate back to and take effect as of the date the Participant signed such request, whether or not the Participant is living at the time of such receipt, provided, however, that neither the Trustee nor the Administrator shall be liable by reason of any payment of the Participant's Account made before receipt of such form.

14.7 "Board of Directors" means the Board of Directors of Raytheon Company.

14.8 "Business Day" means a day on which Fidelity is open for general business.

14.9 "Code" means the Internal Revenue Code of 1986, as amended.

14.10 "Company" means Raytheon Company.

14.11 "Companies" means the Company and any Subsidiary of the Company which elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such a Subsidiary is approved by the Board of Directors or an authorized officer of the Company, but shall not include any Division, Operation or similar cohesive group of a participating Subsidiary excluded by the Board of Directors or an authorized officer of the Subsidiary and the Board of Directors or an authorized officer of the Company.

14.12 "Covered Unit" means a unit designated by the Company and a participating Company as a unit, the employees in which are eligible to participate in this Plan.

14.13 "Designated Hourly or Salaried Payroll" means an hourly or salaried payroll or portion thereof, processed in the United States, of one of the Companies which is designated in writing by the Administrator in accordance with nondiscriminatory and uniform rules as a payroll the Employees on which are eligible to participate in this Plan.

14.14 "Disability" means that the Participant is totally and permanently disabled by bodily injury or disease so as to be prevented from engaging in any occupation for compensation or profit. The determination of disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish disability or the continuation thereof.

14.15 "Elective Deferral" means a voluntary reduction of Participant's compensation in accordance with a written direction to the Administrator.

14.16 "Eligible Compensation" means the base pay (including vacation, severance or salary continuance and sick pay and pay for unused vacation and sick leave), supervisory differentials, shift premiums and sales commissions paid to a Participant by the Employer, excluding all other earnings from any source. Effective January 1, 1997, if the base pay of a Participant (who is not a regularly scheduled part-time employee) is less in any work week than the equivalent of 40 times the straight time hourly rate, overtime pay may be considered, but only to the extent total Eligible Compensation for such work week does not exceed 40 multiplied by the Participant's straight time rate determined on an hourly basis. For participants in the Raytheon Constructors, Inc. unit at Dayco (Springfield, Missouri) only, Eligible Compensation means all remuneration subject to federal income tax withholding paid to an employee in each Plan Year and, in addition, deferrals under a plan described in Section 401(k) of the Code and pre-tax contributions pursuant to Section 125 of the Code. Effective for Plan Years beginning on or after January 1, 1989 and prior to December 31, 1993, in no event shall the amount of Eligible Compensation taken into account under the Plan for any Plan Year exceed $200,000 (or such larger amount as the Secretary of the Treasury may determine for such Plan Year under Section 401(a)(17) of the Code). Effective for Plan Years beginning on or after January 1, 1994, in no event shall the amount of Eligible Compensation taken into account under the Plan for any Plan Year exceed $150,000 (or such larger amount as the Secretary of the Treasury may determine for such Plan Year under Section 401(a)(17) of the Code). For purposes of this limitation only, in determining compensation the rules of Section 414(q)(6) of the Code shall apply, except that in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the Plan Year.

14.17 "Eligible Employee" means any Employee on a U.S. based Designated Hourly or Salaried Payroll in a Covered Unit of one of the Companies, excluding Employees in cooperative studies and intern programs, independent contractors reclassified as a result of an audit by a government agency as common law employees and all individuals performing services for the Companies who are paid through accounts payable, as distinguished from the payroll system, and, effective January 1, 1987, a person who is a Leased Employee.

14.18 "Employee" means any person performing compensated services for the Employer who meets the definition of "Employee" for income tax withholding purposes under Treas. Regs. 31.3401(c)-1 and any person who is a Leased Employee. This section shall be effective as of January 1, 1987.

14.19 "Employee Account" means that portion of Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.20 "Employer" means Raytheon Company and any Affiliates thereof.

14.21 "Employment Commencement Date" is the date on which the Employee first performs an Hour of Service with the Employer.

14.22 "Enrollment Agreement" means a salary reduction agreement pursuant to which an Eligible Employee voluntarily joins the Plan and authorizes deferral of a portion of the Participant's Eligible Compensation.

14.23 "Fidelity" means Fidelity Investments, the recordkeeper for the Plan.

14.24 "Fiduciary" means a named fiduciary and any other person or group of persons who assumes a fiduciary responsibility within the meaning of the Retirement Act under this Plan whether by expressed delegation or otherwise but only with respect to the specific responsibilities of each for the administration of the Plan and Trust Fund.

14.25 "Higher Paid Eligible Employee" means an individual described in Section 414(q) of the Code, after giving effect to subsection (12) thereof, and any regulation, notice or other guidance issued by the Internal Revenue Service thereunder. The determination of whether an individual is a Higher Paid Eligible Employee may be made by the Administrator on the basis of any elective provision permitted under such regulation, notice or other guidance. In general, an Employee will be considered a Higher Paid Eligible Employee if such individual:

(a) was a five percent owner as defined in Section 416(i)(1)(iii) of the Code at any time during the current or preceding Plan Year;

(b) received compensation in excess of $50,000 during the current or preceding Plan Year (adjusted annually for increases in the cost of living in accordance with Section 415(d) of the Code); or

(c) was at any time an officer within the meaning of Section 416(i) of the Code during the preceding Plan Year, and who received compensation in the current or preceding Plan Year greater than 50 percent of the dollar limitation in effect under Section 415(b)(1)(A) of the Code for such Plan Year. Notwithstanding the foregoing, no more than 50 or, if lesser, the greater of 3 employees or 10 percent of the Employees shall be treated as officers.

(d) An Employee who is not described in paragraph (b) or (c) above for the preceding Plan Year shall not be treated as described in paragraph (b) or (c) unless such Employee is one of the 100 Employees who receive the most compensation from the Employer during the Plan Year.

(e) A former Employee shall be treated as a Higher Paid Eligible Employee if such former Employee had a separation year prior to the Plan Year and was a Higher Paid Eligible Employee for either (1) such Employee's separation year or (2) any Plan Year ending on or after the Employee's 55th birthday.

A separation year is the Plan Year in which the Employee separates from service.

(f) Notwithstanding anything to the contrary in this Plan, Sections 414(b), (c), (m), (n), and (o) of the Code are applied prior to determining whether an Employee is a High Paid Eligible Employee.

(g) "Non-Higher Paid Eligible Employee" shall mean an Employee who is neither a Higher Paid Eligible Employee nor a family member (within the meaning of Section 414(q)(6) of the Code).

(h) "Compensation" shall mean the Employee's wages which are required to be reported on IRS Form W-2, increased by any Elective Deferrals made by the Companies to the Plan on behalf of the Employee and any pre-tax elective contributions made by the Companies which are excludible from the Employee's income under Section 125 of the Code.

14.26 "Hour of Service" --

(a) "Hour of Service" means an hour with respect to which any Employee is paid, or entitled to payment, for the performance of duties for the Employer during the applicable computation period.

(b) "Hour of Service" shall include an hour for which the Employee is entitled to credit under subparagraph (a) hereof as a result of employment with a Division, Operation or similar cohesive group of the Employer excluded from participation in the Plan.

(c) "Hour of Service" shall include an Hour of Service for which the Employee is entitled to credit under subsection (a) hereof as a result of employment with a predecessor contractor under the Service Contract Act, provided that the Employee is in a Period of Service with such contractor on the day immediately preceding the Employee's Employment Commencement Date or Reemployment Commencement Date, as applicable.

(d) To the extent applicable, the rules set forth in 29 CFR 2530.200b-2(b) and (c) for computing an "Hour of Service" are incorporated herein by reference.

14.27 "Layoff" means an involuntary interruption of service due to reduction of work force with the possibility of recall to employment when conditions warrant.

14.28 "Leased Employee" means any person (other than an Employee) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or any related person as provided in Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year and such services are of the type historically performed by employees in the business field of the Employer. Leased Employees are not eligible to participate in the Plan. Notwithstanding the foregoing, if such "Leased Employees" constitute less than 20% of the nonhighly compensated workforce of the Employer within the meaning of Section 414(n)(5)(C)(ii) of the Code, the term "Employee" shall not include Leased Employees covered by a plan described in Section 414(n)(5) of the Code. This section shall be effective January 1, 1987.

14.29 "Limitation Year" means the calendar year or any other 12-consecutive-month period adopted for all qualified deferred compensation plans of the Company pursuant to a written resolution adopted by the Company.

14.30 "Matching Contribution Account" means that portion of a Participant's Account which is attributable to matching contributions pursuant to Section 3.10 hereof, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto (At the discretion of the Administrator, the Matching Contribution Account may be combined with the Qualified Non-Elective Contribution Account).

14.31 "Nonforfeitable" means an unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

14.32 "Normal Retirement Age" means the Participant's sixty-fifth (65th) birthday.

14.33 "Participant" means

(i) an individual who is enrolled in the Plan pursuant to Article III and

(ii) an individual who has transferred a Qualified Rollover Account into the Plan pursuant to Section 3.6(d)

provided that the Participant in either category has not withdrawn the entire amount of his or her Account.

14.34 "Pay Period" means a scheduled period for payment of wages or salaries.

14.35 "Period of Participation" means that portion of a Period of Service during which the Eligible Employee was a Participant, and had an Account in the Plan.

For the purpose of determining a Period of Participation, participation in the Raytheon Savings and Investment Plan and the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees shall be considered as participation in this Plan.

14.36 "Period of Service" means the period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date.

14.37 "Period of Severance" means the period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

14.38 "Plan" means the Raytheon Employee Savings and Investment Plan as amended from time to time.

14.39 "Plan Year" means a calendar year, or a portion thereof occurring prior to the termination of the Plan.

14.40 "Qualified Non-Elective Contribution Account" means that portion of a Participant's Account which is attributable to qualified non-elective contributions received pursuant to Sections 3.8 and 3.9, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.41 "Reemployment Commencement Date" means the first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under Section 2.5 in determining whether a Participant has completed the required Period of Service for eligibility to participate in the Plan.

14.42 "Retirement" means a Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

14.43 "Retirement Act" means the Employee Retirement Income Security Act of 1974, including any amendments thereto.

14.44 "Rollover Contribution Account" means that portion of a Participant's Account which is attributable to rollover contributions received pursuant to Section 3.6, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.45 "Salaried Payrolls" means the nonexempt salaried and the exempt salaried payrolls which are processed in the United States.

14.46 "Severance from Service" means the termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Authorized Military Leave of Absence or Disability, or, if designated by the Administrator pursuant to subsection 14.40(b) below, layoff as the result of a permanent plant closing.

14.47 "Severance from Service Date" means the earlier of:

(a) the date on which an Employee quits, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c), (d) and (e) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than quit, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a layoff as the result of a permanent plant closing, the Administrator may designate the date of layoff or other appropriate date prior to the first anniversary of the first date of absence as the Severance from Service Date; or

(c) in the case of an Authorized Military Leave of Absence from which the Employee does not return prior to expiration of recall rights, "Severance from Service Date" means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, "Severance from Service Date" means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or quits (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date," for the sole purpose of determining the length of a Period of Service, shall mean the first anniversary of the quit or discharge; or

(f) in the case of an Employee who is absent from service beyond the first anniversary of the first day of absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Severance from Service Date shall be the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence is neither a Period of Service nor a Period of Severance; or

(g) in the case of an Employee whose employment is terminated by reason of the sale or divestiture of assets or stock of a business of one of the Companies, "Severance From Service Date: shall be the earlier of the first anniversary of the closing date of the transaction or the date the Employee dies or withdraws the entire amount of his or her Account.

14.48 "Subsidiary" means any corporation designated by the Board of Directors as a Subsidiary, provided that for the purposes of the Plan no corporation shall be considered a Subsidiary during any period when less than fifty percent (50%) of its outstanding voting stock is beneficially owned by the Company.

14.49 "Surviving Spouse" means a lawful spouse surviving the Participant as of the date of Participant's death.

14.50 "Trust Agreement" means the agreement between the Company and the Trustee, and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

14.51 "Trustee" means the Trustee and any successor trustees under the Trust Agreement.

14.52 "Trust Fund" means the cash, securities, and other property held by the Trustee for the purposes of the Plan.

14.53 "Valuation Date" means each day on which Fidelity is open for general business.

Words used in either the masculine or feminine gender shall be read and construed so as to apply to both genders where the context so warrants. Words used in the singular shall be read and construed in the plural where they so apply.

APPENDIX A

COVERED UNITS

Name	Date on Which Employees are Eligible to Participate
Raytheon Support Services Company Salaried Employees at Portsmouth, RI and Norfolk, VA (SCCS-ISS/ISE)	November 1, 1993
Raytheon Support Services Company All Other Salaried Employees, except those at Portsmouth, RI and Norfolk, VA (SCCS-ISS/ISE)	January 1, 1994
Raytheon Support Services Company Hourly Employees in Units Represented by: Transport Workers Union, Local 25 (Patrick Air Force Base, FL) Teamsters Local Union No. 769 (Patrick Air Force Base, FL) International Association of Machinists and Aerospace Workers, Local Lodge 276 (Robins Air Force Base, GA) International Brotherhood of Electrical Workers, Local 898 (El Dorado, TX)	June 1, 1994
Cedarapids, Inc. Hourly Employees in Unit Represented by: International Association of Machinists and Aerospace Workers, Local 831 (Cedar Rapids, IA)	January 1, 1994
Range Systems Engineering Support Company Salaried Payroll Employees	October 1, 1993
Raytheon Support Services Company Hourly Employees in Units Represented by: International Brotherhood of Electrical Workers (Beale AFB, CA, and Otis AFB, MA)	October 1, 1995
Raytheon Support Services Company Employees in the Unit Represented by International Brotherhood of Teamsters, Local 639 (Annapolis Junction, MD)	November 1, 1995
Raytheon Support Services Company Non-represented Hourly Employees at all Locations	January 1, 1996
Raytheon Aerospace Support Services, Inc. Contract Field Team employees	January 1, 1996

Harbert-Yeargin Inc. Non-represented Employees at Fort Leonard Wood, Missouri	January 1, 1996 (for elective deferrals) September 1, 1993 (for qualified non-elective contributions)
Raytheon Aerospace Support Services, Inc. T34-44 Contract at Milton, FL; Corpus Christi, TX; Patuxent River, MD; NAS Cecil Field, FL; NAS Fallon, NV; Virginia Beach, VA; Edwards AFB, CA; El Toro, CA, San Diego, CA; NAS Lemoore, CA Columbus AFB, MS Contract UNFO Contract, NAS Pensacola, FL	April 1, 1996
Raytheon Aerospace Support Services, Inc. U.S. Customs Contract at Albuquerque, NM; Corpus Christi, TX; Spring, TX; Jacksonville, FL; Opa Locks, FL; Belle Chase, LA; Aguadilla, PR; San Angelo, TX; San Diego, CA; Tucson, AZ; Ronkonkoma, NY; El Paso, TX; Milton, FL; Phoenix, AZ; Riverside, CA; San Antonio, TX; Clearwater, FL; APO AA; Laredo, TX; Puerta Vallarta, Mexico	April 1, 1996

APPENDIX B

RAYTHEON COMPANIES MAKING CONTRIBUTIONS UNDER A PREVAILING WAGE CONTRACT AND/OR ADDITIONAL COMPANY CONTRIBUTIONS

Location	Amount	Effective Date
Raytheon Support Services Company:		
Hourly Employees in Unit Represented by International Brotherhood of Electrical Workers (Beale AFB, CA)	75 cents per hr. paid up to 40 hrs./week	10/1/95
	80 cents per hr. paid up to 40 hrs./week	1/1/97
	85 cents per hr. paid up to 40 hrs./week	1/1/98
Salaried Employees (Beale AFB, CA)	75 cents per hr. paid up to 40 hrs./week	1/1/96
	80 cents per hr. paid up to 40 hrs./week	1/1/97
	85 cents per hr. paid up to 40 hrs./week	1/1/98
Hourly Employees in Unit Represented by International Brotherhood of Electrical Workers, Local 223 (Otis AFB, MA)	83 cents per hr. paid up to 40 hrs./week	10/1/95
Salaried Employees (Otis AFB)		1/1/96
	88 cents per hr. paid up to 40 hrs./week	1/1/97
	93 cents per hr. paid up to 40 hrs./week	1/1/98
Employees at Warren/Selfridge, MI	16 cents per hr. paid up to 40 hrs/week	1/1/96

All Employees at Rock Island, IL	30 cents per hr. paid up to 40 hrs/week UNTIL 9/30/97	1/1/96
Employees at Fort Monmouth, NJ	10 cents per hr. paid up to 40 hrs/week UNTIL 2/29/96	
Salaried Employees at Annapolis Junction, MD	2.5% of base pay	
Hourly Employees at Annapolis Junction, MD; all employees at Chesapeake, VA (ROTHR), Marshall Space Flight Center, AL, McClellan AFB, CA, NASA Langley, VA, Oklahoma City, OK (FAA Depot), Springfield, VA (Trojan),and Englewood, CO (ACC PMEL)	10 cents per hr. paid up to 40 hrs./week	
All Employees on ACC PMEL at Barksdale AFB, LA , Beale AFB, CA, Dyess AFB, TX, Ellsworth AFB, SD, Fairchild AFB, WA, Warren AFB, WY, Grand Forks AFB, ND, Malstrom AFB, MT, McDonnell AFB, KS, Minot AFB, ND, Offutt AFB, NE, Plattsburgh AFB, NY and Whiteman AFB, MO	10 cents per hr. paid up to 40 hrs./week UNTIL 9/30/97	
All Employees on CISF at Colorado Springs, CO	40 cents per hr. paid up to 40 hrs./week	

All Employees on Pave Paws IV at Eldorado AFB, TX	60 cents per hr. paid up to 40 hrs./week	1/1/97
	65 cents per hr. paid up to 40 hrs./week	1/1/98
Hourly Employees in the Unit represented by Local 2131, International Brotherhood of Electrical Workers at Onizuka AFS, CA	33 cents per hr. paid up to 40 hrs./week	
All Employees on EMC at Norfolk, VA	15 cents per hr. paid up to 40 hrs./week UNTIL 9/12/97	
All Employees on Pave Paws Site III, Robins AFB, GA	60 cents per hr. paid up to 40 hrs./week	1/1/98
Exempt Salaried Employees on STARS/DASR, Installation & Checkout and TSSC	60 cents per hr. paid up to 40 hrs./week	1/1/98
Non-Exempt Salaried and Hourly Employees on STARS/DASR, Installation & Checkout and TSSC	40 cents per hr. paid up to 40 hrs./week	1/1/98
Raytheon Aerospace Support Services Inc.:		
Field Contract Employees	3% of gross pay	1/1/96
Union - T-34/44, Columbus, UNFO; Non-Union - Columbus		4/1/96
Non-Union - T-34/44	4% with a $500 maximum per year	5/1/97
U.S. Customs Union and Non-Union Employees at DEA	1.75% of gross pay with a $400 maximum per year	4/1/96 10/1/97
Employees at AETC	1.75% of gross pay	10/1/97

Rust Constructors Inc.		
Employees at Fort Leonard Wood	10 cents per hr. paid up to 40 hrs./week	10/1/97
	15 cents per hr. paid up to 40 hrs./week	10/1/98
Employees at Mt. Pleasant, SC and Springfield, MO	100% company match up to 4.5% of eligible comp.	6/12/96
Employees at Salisbury, NC	100% company match up to 4.5% of eligible comp.	6/12/96 to 9/30/96 ONLY

EXHIBIT 4.6

RAYTHEON SAVINGS AND INVESTMENT PLAN FOR PUERTO RICO BASED EMPLOYEES

Provisions in Effect as of January 1, 1996

ARTICLE I - PREAMBLE

The Raytheon Savings and Investment Plan for Puerto Rico based employees, which became effective January 1, 1995, provides employees with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Plan as determined by the employee and set aside for short-term and long-term needs of the employee. The Plan is applicable only to eligible employees who meet the requirements for membership on or after January 1, 1995. It is intended that the Plan will comply with all of the requirements for a qualified profit sharing plan under Section 3165(e) of the Revenue Code of Puerto Rico ("Code") and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in Article XIII unless the context indicates otherwise. The Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act and Title 29 of the Code of Federal Regulations, ss.2250.44(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan, and the Plan fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a participant or beneficiary.

ARTICLE II - ELIGIBILITY

2.1. Eligibility Requirements - Present Employees -- Each Eligible Employee who was in a Period of Service from October 1, 1994, through December 31, 1994, may join the Plan as of the first Pay Period in January, 1995, or any subsequent Pay Period selected by the Eligible Employee provided he or she continues in the same Period of Service or meets the requirements under Section 2.2.

2.2. Eligibility Requirements - Other Employees -- Each other Eligible Employee whose Employment Commencement Date is on or after January 1, 1995, may join the Plan as of the first Pay Period coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on said Employment Commencement Date or any subsequent Pay Period selected by the Eligible Employee during the same Period of Service. Each Eligible Employee whose Reemployment Commencement Date is on or after January 1, 1995, may join the Plan as of the first Entry Date next following said Reemployment Commencement Date.

2.3. Procedure for Joining the Plan -- Each Eligible Employee who meets the requirements of Section 2.1 or Section 2.2 may join the Plan by communicating with Fidelity in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Employee has designated: a percentage by which Participant's Eligible Compensation shall be reduced as an Elective Deferral in accordance with the requirements of Section 3.2, subject to the limitations in the Code referred to in Section 3.3; election of investment funds as described in Article IV; one or more Beneficiaries; and such other information as specified by Fidelity. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator in its discretion may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.4. Transfer Between Companies to Position Covered by Plan -- A Participant who is transferred from employment with one of the Companies to employment as an Eligible Employee with another one of the Companies may remain a Participant of the Plan with his or her new Company.

2.5. Transfer to Position Not Covered by Plan -- If a Participant is transferred to another position with the Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan with respect to Elective Deferrals previously made but will no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with Fidelity and providing all of the information requested by Fidelity. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by Fidelity of the requested information.

ARTICLE III - CONTRIBUTIONS

3.1. Employer Contributions -- The Companies shall contribute to the Trust established under this Plan from Net Annual Profits or Net Profits an amount equal to the total amount of Elective Deferrals agreed to be made by the Companies pursuant to designation by Participants.

3.2. Elective Deferrals -- Elective Deferrals must be made in one percent (1%) increments with a minimum Elective Deferral of one percent (1%) of Eligible Compensation and a maximum Elective Deferral of fifteen percent (15%) but no Participant may defer more than $7,000 for any Plan Year.

3.3. Revenue Code of Puerto Rico Requirements -- All Elective Deferrals and Matching Contributions are subject to all of the nondiscrimination tests established in Section 3165 of the Code, including in particular the limitations in Section 3165(c)(3).

3.4. Reinstatement of Reduced Amounts -- Any reduction effected pursuant to Section 3.3 will remain in effect for the remainder of the Plan Year in which the reduction occurs and will not be automatically reinstated. A Participant whose Elective Deferral has been reduced may elect to increase his or her Elective Deferral effective as of any Pay Period subsequent to notice from the Administrator that Elective Deferrals may be increased as of a specified Pay Period. This election must be made in accordance with the procedure described in Section 3.5.

3.5. Change in Elective Deferrals -- Except as provided in Sections 3.3 and 3.4, any Participant may change his or her Elective Deferral percentage to increase or decrease said percentage by notifying Fidelity, such change to take effect as of the next administratively feasible Pay Period.

3.6. Voluntary Reduction of Elective Deferral to Zero --Notwithstanding the notice requirements specified in Section 3.5, any Participant may elect to reduce the level of the Participant's Elective Deferral to zero as of the beginning of any pay period. The reduction will take effect as soon as practicable following telephone notification by the Participant to Fidelity. A Participant who has reduced his or her Elective Deferral to zero may again make Elective Deferrals as of the next administratively feasible Pay period subsequent to telephone notification to Fidelity.

3.7. Matching Contributions -- For each Plan Year, commencing on or after January 1, 1995, subject to limitations imposed by the Code, the Companies will match from Net Annual Profits or Net Profits the Elective Deferral of each Participant at the rate of one-half (1/2) of the Participant's Elective Deferral on an annual basis provided that: (i) for any Pay Period the matching amount shall not exceed three percent (3%) of the Participant's Eligible Compensation for that Pay Period; and (ii) as soon as administratively feasible subsequent to the end of the Plan Year, the differential, if any, by which an amount equal to one-half (1/2) of the Participant's Elective Deferral for the Plan Year exceeds the amount of Matching Contributions actually made to Participant for that year, to an annual maximum of three percent (3%) of the Participant's Eligible Compensation for the Plan Year, will be paid into the Participant's Account.

3.8. Forfeitures -- In the event that a Participant incurs a Severance of Service prior to attaining a Nonforfeitable right to the Participant's Matching Contribution, the Matching Contribution will be forfeited as of the Severance from Service Date. Forfeitures of Matching Contributions will be used to reduce future contributions of the Companies to the Plan. A forfeiture will occur as of the first day of the month immediately following a month in which a Severance from Service occurs and results in a forfeiture. In the event that a Period of Severance is credited to a Participant's Period of Service pursuant to Section 5.3(b), any forfeiture of a Matching Contribution resulting from said Period of Severance will be restored to the Participant's Matching Contribution Account. When a prior Period of Service is reinstated, forfeitures related to said prior Period of Service will be restored to the extent required by law.

3.9. Rollover Contributions --

(a) Effective January 1, 1995, Participants may transfer into the Plan qualifying rollover amounts received from other qualified trusts subject to Section 3165 of the Code. Such transfers will be referred to as "rollover contributions" and will be subject to the following conditions:

(i) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from a qualified trust, subject, however, to (v) below where applicable;

(ii) the amount of such rollover contributions shall not exceed any applicable limitation set forth in the Code;

(iii) rollover contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to Article VII;

(iv) rollover contributions may be distributed at the request of the Participant, subject to the same administrative procedures as apply to other distributions;

(v) rollover contributions may not be received by the Trustee earlier than the Entry Date upon which the Participant elects to join the Plan;

(vi) rollover contributions transferred pursuant to this paragraph (a) of Section 3.9 shall be credited to the Participant's Rollover Contribution Account. Rollover contributions will be invested upon receipt by the Trustee;

(vii) no rollover contribution will be accepted unless (A) the Employee on whose behalf the rollover contribution will be made is either a Participant or has notified the Administrator that he intends to become a Participant on the first date on which he is eligible therefor; and (B) all required information, including selection of specific investment accounts, is provided to Fidelity. When the rollover contribution has been deposited, any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in Sections 4.2 and 4.3.

(viii) Under no circumstances shall the Administrator accept as a rollover contribution amounts which have previously been subject to Puerto Rico income tax.

3.10. Refund of Matching Contributions to the Companies

Notwithstanding the provisions of Article XI, the Trustee shall refund to the Companies, upon written request, Matching Contributions made by the Companies:

(a) by a mistake of fact, provided that such refund is made within one (1) year after the making of the Matching Contribution; or

(b) which would otherwise be an excess contribution under the Code, to the extent permitted to avoid penalties on such excess contributions.

3.11. Corrective Qualified Non-Elective Contributions -- In order to satisfy (or partially satisfy) the non-discrimination tests established in Section 3165 of the Code, the Company in its sole discretion may make a Corrective Qualified Non-Elective Contribution to the Plan. Any such Corrective Qualified Non-Elective Contribution shall be allocated to the Accounts of those Participants who are non-highly compensated Employees for the Plan Year with respect to which such Corrective Qualified Non-Elective Contribution is made, beginning with the Participant with the lowest compensation for such Plan Year and allocating the maximum amount permissible under Section 3.2 before allocating any portion of such Qualified Non-Elective Contribution to the Participant with the next lowest compensation. Such allocations shall continue until the Plan satisfies the non-discrimination tests in Section 3165 of the Code or until the amount of such Corrective Qualified Non-Elective Contribution is exhausted.

The Company, in its sole discretion, may include all or a portion of the Corrective Qualified Non-Elective Contributions for a Plan Year in aggregate 401(k) contributions taken into account in applying the non-discrimination tests in Section 3165 of the Code, provided that the requirements of Treasury Regulation section 1.401(k)-1(b)(5) are satisfied.

ARTICLE IV - INVESTMENT OF ACCOUNTS

4.1. Election of Investment Funds -- Upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Employee Account and Matching Contribution Account be invested in increments of one percent (1%) in one or more of the following investment funds:

Fund A - an equity fund designated by the Administrator;

Fund B - a fixed income fund designated by the Administrator;

Fund C - Raytheon Company common stock fund (not subject to additional limitations with respect to transfer and withdrawal);

Fund D - a stock index fund designated by the Administrator;

Fund E - a balanced fund designated by the Administrator;

Fund F - a growth fund, designated by the Administrator, investing primarily in equities of companies of all types and sizes;

Fund G - a growth fund, designated by the Administrator, investing primarily in equities of well-known and established companies.

In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion.

Each election will apply to both accounts so that the Employee Account and Matching Contribution Account of the Participant will be invested in the same percentages in the one or more investment funds selected by the Participant.

4.2. Change in Investment Allocation of Future Deferrals -Each Participant may elect to change the investment allocation of future Elective Deferrals, Matching Contributions and rollover contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to Fidelity. Any changes must also be made either in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3. Transfer of Account Balances Between Investment Funds -- Each Participant may elect to transfer all or a portion of the amount in the Participant's Employee Account, Matching Contribution Account and Rollover Contribution Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to Fidelity. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to Fidelity.

4.4. Ownership Status of Funds -- The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D, E, F and G and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, in a cash amount and shall reflect each Participant's portion of Fund C in cash and unitized shares of stock.

4.5. Voting Rights -- Participants whose Account has shares of participation in the Raytheon Company Common Stock Fund on the last Business Day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in the Raytheon Common Stock Fund by the closing price of Raytheon Common Stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote Participant's shares as recommended by management. In addition, each Participant shall have the right to accept or reject any tender or exchange offer for shares of common stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of Raytheon Common Stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from an individual Participant shall be held in confidence by the Trustee and shall not be divulged to the Companies or to any officer or employee thereof or to any other person.

ARTICLE V - VESTING

5.1. Employee, Rollover Contribution and Corrective Qualified Non-Elective Contribution Accounts -- Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Employee, Rollover Contribution and Corrective Qualified Non-Elective Contribution Accounts.

5.2. Matching Contribution Account -- Each Participant shall have a Nonforfeitable right to the Participant's Matching Contribution Account upon the earlier of:

(a) Completion of a Period of Service of five (5) years commencing on or after January 1, 1984; or

(b) Completion of a Period of Service of three (3) years during which the Participant had an Account under the Plan subsequent to fulfillment of the eligibility requirements in Section 2.1; or

(c) The Participant's Retirement, death, Disability or attainment of Normal Retirement Age.

5.3. Break in Service Rules

(a) Periods of Service -- Subject to any requirements of the Code, in determining the length of a Period of Service, the Administrator shall include all Periods of Service, except a Period of Service prior to a Period of Severance of twelve (12) months or more, unless subsequent to said Period of Severance the Participant completes a Period of Service of at least twelve (12) months and, if the Participant does not have a Nonforfeitable right to his or her Matching Contribution Account, the Period of Severance was less than said prior Period of Service. The Administrator shall also include Periods of Service prior to Periods of Severance of five (5) years or less.

(b) Periods of Severance -- Subject to any requirements of the Code, in determining the length of a Period of Service, the Administrator shall exclude all Periods of Severance, except that in the event a Participant returns from a quit, discharge, or Retirement, within twelve (12) months from the earlier of: (i) the date of the quit, discharge, or Retirement, or (ii) if the Participant was absent from employment for reasons such as layoff or Authorized Leave of Absence on the day of the quit, discharge, or Retirement, the first day of such absence, the period of absence will be included as a Period of Service.

(c) Other Periods -- In making the determinations described in subsections (a) and (b) of this Section 5.3, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE VI - WITHDRAWALS AND DISTRIBUTIONS

6.1. In-Service Withdrawal - Employee Account -- While in a Period of Service, a Participant may withdraw all or a portion of the Participant's Account upon attainment of age 59 1/2 or, in the case of an immediate and heavy financial need within the meaning of Section 3165(c)(2)(B)(vi) of the Code. Withdrawals from the Employee Accounts of less than $250 will not be permitted. Withdrawals will be based upon the value of the Account as of a date established by the Administrator through the application of a uniform and equitable rule and will be effected by telephone notice to Fidelity. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, C, D, E, F and G and such other funds as may be established by the Administrator, will be made in cash. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Employee Account.

6.2. In-Service Withdrawal - Rollover Contribution Account -- A Participant may withdraw all or a portion of the Participant's Rollover Contribution Account. Withdrawals will be based upon the value of the account as of the date established by the Administrator through the application of a uniform and equitable rule by telephone notice to Fidelity. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, C, D, E, F and G will be made in cash.

6.3. Documentation Required For Financial Hardship Withdrawals --

(a) A Participant requesting a withdrawal of the distributable amount of the Participant's Employee Account due to reasons of immediate and heavy financial need must submit such documentation or information in other form as required by the Administrator and shall advise Fidelity by telephone notice or such other means as established by the Administrator's rules then in effect of the existence of an immediate and heavy financial need and the fact that the need will be satisfied by the requested distribution.

(b) The Participant shall represent that this financial need cannot be satisfied by any of the following sources: through reimbursement or compensation by insurance or otherwise; by liquidation of the Participant's assets; by cessation of Elective Deferrals under the Plan; or by other distributions or non-taxable (at the time of the loan) loans currently available from plans maintained by the Employer or by any other employer, or by borrowing from commercial sources on reasonable commercial terms.

6.4. Redeposits Prohibited -- No amount withdrawn pursuant to Section 6.l and Section 6.2 may be redeposited in the Plan.

6.5. Distribution --

(a) Distribution of the Participant's Employee Account, Rollover Contribution Account, Corrective Qualified Non-Elective Contribution Account and, if the Participant has a Nonforfeitable right to his or her Matching Contribution Account pursuant to Section 5.2, the Matching Contribution Account, will be made upon the Retirement, Disability (as defined in Section 13.12), death, Severance from Service (as defined in Section 13.46) or Layoff (as defined in Section 13.26) of the Participant or, to an alternate payee, upon issuance of a Qualified Domestic Relations Order. In the event of the death of a Participant, the distribution shall be made to the Participant's Beneficiary. The standard form of distribution will be a lump sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right) which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant (or Beneficiary, if Participant is deceased) to Fidelity. Distribution of the amounts in said accounts in the funds designated in Funds A, B, C, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of a Participant's Account is to be made, such payment shall be made in a lump sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary notwithstanding: the Participant's (a) spouse, (b) children and issue of deceased children by right of representation, (c) parents, (d) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (e) executors or administrators.

(b) In the event that upon a Participant's Severance From Service Date the Participant has a Nonforfeitable right to an Account in the Plan which exceeds Thirty-Five Hundred Dollars ($3,500), the Participant shall have the option of not receiving an immediate distribution of the amount in his or her Account.

Benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs: (l) attainment by the Participant of Normal Retirement Age; (2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or (3) Participant's Severance from Service. If the amount of the benefit payable to a Participant has not been ascertained by the sixtieth (60th) day after the close of the Plan Year in which the latest of the three events described in clauses (1), (2) and (3) above occurred, or Participant cannot be located after reasonable efforts to do so, then payment retroactive to said sixtieth (60th) day after the close of the Plan Year in which the latest of the three events occurred may be made no later than sixty (60) days after the later of the earliest date on which the amount of such payment under the Plan can be ascertained or the earliest date on which the Participant is located.

ARTICLE VII - LOANS

7.1. Availability of Loans -- Participants may borrow against all or a portion of the balance in the Participant's Employee Account, Rollover Contribution Account and Corrective Qualified Non-Elective Contribution Account, and the Matching Contribution Account if the Participant has a Nonforfeitable right thereto pursuant to Section 5.2, subject to the limitations set forth in this Article. Participants who have incurred a Severance from Service will not be eligible for a Plan loan.

7.2. Minimum Amount of Loan -- No loan of less than $500 will be permitted.

7.3. Maximum Amount of Loan -- No loan in excess of fifty percent (50%) of the aggregate value of a Participant's Employee Account, Rollover Contribution Account and Corrective Qualified Non-Elective Contribution Account, and the Nonforfeitable portion of Participant's Matching Contribution Account balances will be permitted. In addition, limits imposed by the Code and any other requirements of applicable statute or regulation will be applied.

7.4. Effective Date of Loans -- Loans will be effective as specified in the Administrator's rules then in effect.

7.5. Repayment Schedule - The Participant may select a repayment schedule of 1, 2, 3, 4 or 5 years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to l5 years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Companies, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish for other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump sum. The minimum repayment amount per pay period is $10 for Participants paid weekly and $50 for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan. Repayments for Participants in a Period of Service but on an Authorized Leave of Absence or Layoff shall be made in accordance with procedures established by the Administrator.

7.6. Limit on Number of Loans -- No more than two loans may be outstanding at any time.

7.7. Interest Rate -- The interest rate for a loan pursuant to this Article will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective as of any date during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective during the period January 1 through June 30 thereafter.

7.8. Effect Upon Participants Account -- Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Accounts in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Matching Contribution Account; Corrective Qualified Non-Elective Contributions Account; Employee Account; and Rollover Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in the reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9. Effect of Severance From Service and Non-Payment -- In the event that a loan remains outstanding upon the Retirement, death or Severance from Service of a Participant, payments may be made directly to Fidelity on a monthly basis. If payments are not made in a timely manner, the amount of any unpaid principal will be deducted from the distribution made to the Participant (or from the Participant's Account if retained in the Plan). If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after Participant returns to active employment, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension, at which time the unpaid principal and interest will be deducted from the Participant's Account and any remaining balance will be paid to the Participant if the Participant incurs a Severance from Service or requests in writing payment of such balance.

ARTICLE VIII - LIMITATIONS

8.1. Maximum Permissible Amount of a Participant's Annual Addition -- Notwithstanding any other provision of this Plan, the Maximum Permissible Amount of a Participant's Annual Addition under this Plan means the lesser of $30,000 or twenty-five percent (25%) of the Participant's compensation for the Limitation Year. For purposes of this Article VIII, compensation is defined as the Participant's wages, salaries, fees for professional services, and other amounts received for personal services actually rendered in the course of employment with the Employer (including but not limited to sales commissions, compensation for services on the basis of a percentage of profits, tips, and bonuses), excluding all items listed in subparagraph (2) of paragraph (d) of 26 CFR Section1.415-2. If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive-month period, the Maximum Permissible Amount for the short Limitation Year will be the lesser of (1) $30,000 (or such larger amount determined by the Commissioner of Internal Revenue or by statute) multiplied by the following fraction:

$$\frac{\text{number of months in the short Limitation Year}}{12}$$

or (2) twenty-five percent (25%) of the Participant's compensation for the short Limitation Year.

8.2. Coordination of Annual Additions -- Notwithstanding any other provision of this Plan, if any Annual Additions are allocated under other qualified defined contribution plans maintained by the Employer with respect to a Participant of this Plan, and the Participant's Elective Deferral or Matching Contribution that would otherwise be contributed or allocated to the Participant's Account under this Plan would cause the Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount specified in Section 8.1, the amount contributed or allocated will be reduced so that the Annual Additions under all such plans for the Limitation Year will equal said Maximum Permissible Amount. If the Annual Additions with respect to the Participant under such other qualified defined contribution plans in the aggregate are equal to or greater than the Maximum Permissible Amount, as specified in Section 8.1, any amount contributed or allocated to the Participant's account for the Limitation Year will be treated as an Excess Amount.

8.3. Coordination with Limitation on Benefit from All Plans -- Notwithstanding the foregoing, the otherwise permissible Annual Addition under this Plan for any Participant may be further reduced to the extent necessary, as determined by the Administrator, to prevent disqualification of the Plan under the Code. In addition, if an individual is a Participant at any time in both a defined benefit plan and a defined contribution plan maintained by the Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any Limitation Year may not exceed 1.0. The defined benefit plan fraction for any Limitation Year is a fraction, the numerator of which is the Participant's projected annual benefit under the Plan (determined at the close of the Limitation Year) and the denominator of which is the lesser of:

(a) 1.25 (1.0 during any Plan Year in which the Plan has been determined to be top heavy) times the dollar limitation in effect for that Limitation Year, or

(b) 1.4 times the compensation limitation for that Limitation Year. The defined contribution plan fraction for any Limitation Year is a fraction, the numerator of which is the sum of the Annual Additions to the Participant's accounts in such Limitation Year and all prior Limitation Years and the denominator of which as of the end of a Limitation Year is the sum of the defined contribution increments for that year and all prior LimitationYears. For each Limitation Year, the defined contribution increment is the lesser of 1.25 (1.0 during any Plan Year in which the Plan has been determined to be top heavy) times the dollar limitation for that year, or 1.4 times the compensation limitation for that year. For purposes of this limitation, all defined benefit plans of the Employer whether or not terminated, are to be treated as one defined benefit plan and all defined contribution plans of the Employer, whether or not terminated, are to be treated as one defined contribution plan.

ARTICLE IX - THE TRUST FUND

9.1. Trust Agreement -- During the period in which this Plan remains in existence, the Employer or any successor thereto shall maintain in effect a Trust Agreement with a corporate trustee as Trustee, to hold, invest, and distribute the Trust in accordance with the terms of such Trust Agreement.

9.2. Investment of Accounts -- The Trustee shall invest and reinvest the Participant's accounts in investment options as defined in Section 4.1 as directed by the Administrator or its delegate in writing. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in writing in accordance with Sections 4.2 and 4.3.

9.3. Expenses -- Expenses of the Plan and Trust shall be paid from the Trust.

ARTICLE X - ADMINISTRATION OF THE PLAN

10.1. General Administration -- The general administration of the Plan shall be the responsibility of the Raytheon Employee Benefit Administration Committee (the "Committee") which shall be the Administrator and Named Fiduciary for purposes of the Retirement Act. The Committee shall consist of three or more individuals appointed by the Vice President, Human Resources of Raytheon Company, or his delegate, and shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in Article X, Section 10.2. All such determinations of the Committee shall be conclusive and binding on all persons. The Committee's address is Raytheon Employee Benefits Administration Committee, 141 Spring Street, Lexington, MA 02173, Attention: Manager, Corporate Benefits.

10.2. Responsibilities of the Administrator -- The Administrator shall assign responsibility for performance of all necessary administrative duties, including the following:

(a) Determination of all questions which may arise under the Plan with respect to eligibility for participation and administration of accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the financial, tax and legal officers of the Company or of Raytheon Company.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing account balances, designation of beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the Government as required by law.

(f) Appointment of a Trustee or Trustees and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

10.3. Liability for Acts of Other Fiduciaries -- Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his assumption of Fiduciary status or after his termination from such status.

10.4. Employment by Fiduciaries -- Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

10.5. Recordkeeping -- The Administrator shall keep or cause to be kept any necessary data required for determining the account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

10.6. Claims Review Procedure -- The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

Step l. Claims with respect to an Account should be filed by a claimant as soon as practicable after claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose account is at issue, by mailing a copy of the claim to the Benefits and Services Department, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173.

Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in Step 1.

Step 4. Within thirty (30) days following receipt of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation of the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

The Administrator is the fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined by the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

10.7. Indemnification of Directors and Employees -- The Companies shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or employee of the Employer, his heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Companies may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Companies.

10.8. Immunity from Liability -- Except to the extent that the Code or any other provision of the Laws of Puerto Rico prohibit the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed thereunder, an officer, employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XI - AMENDMENT OR TERMINATION OF THE PLAN

11.1. Right to Amend or Terminate Plan -- The Company reserves the right at any time or times, by action of its Board of Directors or authorized officer, to terminate the contributions of itself or any of the Companies to the Plan or to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a certified copy of the resolution of the Board of Directors, authorizing such modification, amendment or termination shall be delivered to the Trustee and to the other Companies whose Employees are covered by this Plan, provided, however, that the Plan shall not be amended in such manner as would cause or permit any part of the corpus of the Trust to be diverted to purposes other than for the exclusive benefit of the Employees or as would cause or permit any part of such corpus to revert to any of the Companies prior to the satisfaction of all liabilities under the Plan, and provided further that the duties or liabilities of the Trustee shall not be increased without its written consent, and provided further that any such modification or amendment of the Plan shall be subject to approval by the Board of Directors of the Company.

11.2. Change in Vesting Schedule -- No amendment to the vesting schedule shall deprive a Participant of his or her Nonforfeitable rights to benefits accrued to the date of the amendment.

11.3. Maintenance of Plan -- The Company has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the Company is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time.

11.4. Termination of Plan and Trust -- The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Company specifying the date as of which the Plan and Trust shall terminate;

(b) Adjudication of the Company as bankrupt or general assignment by the Company to or for the benefit of creditors or dissolution of the Company;

In the event of the complete termination of this Plan or the complete discontinuance of Matching Contributions under it (but a rescission under Section 12.2 for failure to qualify initially is not such a termination or complete discontinuance), the rights of each Participant to the amounts then credited to his or her Account shall be Nonforfeitable. In the event of the partial termination of this Plan, the rights of each Employee (as to whom the Plan is considered terminated) to the amounts then credited to his or her Account, shall be Nonforfeitable. Whether or not there is a complete or partial termination of this Plan shall be determined under the regulations promulgated pursuant to the Internal Revenue Code. To the extent this paragraph is inconsistent with any provisions contained elsewhere in this Plan or in the Trust which forms a part of this Plan, this paragraph shall govern. Upon such termination of the Plan and Trust, after payment of all expenses and proportional adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations to the date of termination, each Participant or former Participant shall be entitled to receive any amounts then credited to his or her Account in the Trust. The Trustee shall make payments in cash.

ARTICLE XII - ADDITIONAL PROVISIONS

12.1. Effect of Merger, Consolidation or Transfer -- In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

12.2. Necessity of Initial Qualification -- This Plan is established with the intent that it shall qualify under Section 3165 of the Code as that section exists at the time the Plan is established. If the Secretary of the Treasury of Puerto Rico determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination all of the vested assets of the Trust held for the benefit of Participants and their beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code. Any non-vested Matching Contributions and earnings attributable thereto shall be returned to the Companies.

12.3. Limitation of Assignment -- No account under the Plan shall be subject in any manner to attachment, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, or the vesting of rights in any person by operation of law or otherwise except as provided under this Plan, including but not limited to the Trustee or Receiver in Bankruptcy, and any attempt so to anticipate, alienate, sell, transfer, assign, encumber or charge the same shall be void, nor shall any such benefit be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such benefit. If any Participant is adjudicated bankrupt, or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan, then such benefit shall, in the discretion of the Administrator, cease and terminate and in that event the Trustee shall hold or apply the same or any part thereof to or for the benefit of such Participant in such manner as the Administrator may direct.

12.4. Limitation of Rights of Employees -- This Plan is strictly a voluntary undertaking on the part of the Companies and shall not be deemed to constitute a contract between any of the Companies and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Companies or shall interfere with the right of any of the Companies to discharge or otherwise terminate the employment of any Employee of the Company at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

12.5. Construction -- The Plan shall be construed, regulated, and administered under the laws of the Commonwealth of Puerto Rico.

ARTICLE XIII - DEFINITIONS

The following terms have the meaning specified below unless the context indicates otherwise:

13.1. "Account" means the entire interest of a Participant in the Trust. A Participant's Account shall consist of an Employee Account, a Matching Contribution Account and, if applicable, a Rollover Contribution Account and Corrective Qualified Non-Elective Contribution Account.

13.2. "Administrator" means Raytheon Company.

13.3. "Annual Addition" means a Participant's Matching Contribution and the Participant's Elective Deferral (and, if applicable, a Corrective Qualified Non-Elective Contribution) during a Limitation Year.

13.4. "Authorized Leave of Absence" means an absence approved by the Companies on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of Employee or relative, death of relative, education of Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Companies within the time period specified by the Companies.

13.5. "Authorized Military Leave of Absence" means any absence due to service in the Armed Forces of the United States, upon completion of which the Employee is entitled under any applicable Federal law to reemployment at the termination of such military service, provided that he returns to the service of the Companies within the period provided for by such applicable Federal law or such further period as may be established by the Administrator. As used in this paragraph, the term "Armed Forces of the United States" excludes the Merchant Marine.

13.6. "Beneficiary" means a Participant's Surviving Spouse. If there is no Surviving Spouse, or if the Surviving Spouse has given written consent to the designation of another person or persons as Beneficiary, then Beneficiary shall means said person or persons designated by the Participant to be paid the lump sum value of the Participant's Account in the event of the Participant's death.

13.7. "Board of Directors" means the Board of Directors of Raytheon Company.

13.8. "Business Day" means a day on which Fidelity is open for general business.

13.9 "Code" means the Puerto Rico Tax Code.

13.10. "Company" means Raytheon Catalytic Inc. but shall not include a Division, Operation or similar cohesive group of Raytheon Company excluded by the Board of Directors of Raytheon Company.

13.11. "Companies" means the Company and any Subsidiary of the Company which elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such a Subsidiary is approved by the Board of Directors of the Company, or an officer to whom authority to approve participation by a subsidiary is delegated by the Board of Directors, but shall not include any Division, Operation or similar cohesive group of a participating Subsidiary excluded by the Board of Directors of the Subsidiary and the Board of Directors of the Company.

13.12. "Corrective Qualified Non-Elective Contribution Account" means that portion of a Participant's Account which is attributable to corrective qualified non-elective contributions received pursuant to Section 3.11, adjustments for withdrawals and distributions and the earnings from losses attributable thereto.

13.13. "Designated Hourly Payroll" means an hourly payroll or portion thereof, processed in the United States, of one of the Companies which is designated in writing by the Administrator in accordance with nondiscriminatory and uniform rules as a payroll the Employees on which are eligible to participate in this Plan.

13.14. "Disability" means that the Participant is totally and permanently disabled by bodily injury or disease so as to be prevented from engaging in any occupation for compensation or profit. The determination of disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish disability or the continuation thereof.

13.15. "Early Retirement Date" means the first day of the month subsequent to the earliest date on which the Participant has both attained age 55 and completed a Period of Service of ten (10) years.

13.16. "Elective Deferral" means a voluntary reduction of Participant's compensation in accordance with Section 3.2 hereof.

13.17. "Eligible Compensation" means the base pay, supervisory differentials, shift premiums and, effective January 1, 1985, sales commissions, excluding all other earnings from any source.

13.18. "Eligible Employee" means any Employee on a Puerto Rico based Salaried or Designated Hourly Payroll of the Company, excluding Employees in cooperative studies and intern programs and a person who is an Employee solely by reason of being a leased Employee.

13.19. "Employee" means any person performing compensated services for the Employer who meets the definition of "Employee" for income tax withholding purposes under the Code.

13.20. "Employee Account" means that portion of Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

13.21. "Employer" means Raytheon Company and, where the context requires, any subsidiary of Raytheon Company while such subsidiary is, or was, a member of a "controlled group of corporations" within the meaning of Section 414(b) of the United States Internal Revenue Code.

13.22. "Employment Commencement Date" is the date on which the Employee first performs an Hour of Service with the Employer.

13.23. "Enrollment Agreement" means a salary reduction agreement pursuant to which an Eligible Employee voluntarily joins the Plan and authorizes deferral of a portion of the Participant's Eligible Compensation.

13.24. "Entry Date" means the first Pay Date in each calendar month.

13.25. "Fidelity" means Fidelity Investments, the recordkeeper for the Plan.

13.26. "Fiduciary" means a named fiduciary and any other person or group of persons who assumes a fiduciary responsibility within the meaning of the Retirement Act under this Plan whether by expressed delegation or otherwise but only with respect to the specific responsibilities of each for the administration of the Plan and Trust.

13.27. (a) "Hour of Service" means an hour with respect to which any Employee is paid, or entitled to payment, for the performance of duties for the Employer during the applicable computation period.

(b) "Hour of Service" shall include an hour for which the Employee is entitled to credit under subparagraph (a) hereof as a result of employment:

(i) with a predecessor company substantially all of the assets of which have been acquired by the Employer, provided that where only a portion of the operations of a company have been acquired, only service with said acquired portion prior to the acquisition will be included and that the Employee was employed by said predecessor company at the time of acquisition; or

(ii) with a Division, Operation or similar cohesive group of the Employer excluded from participation in the Plan.

13.28. "Layoff" means an involuntary interruption of service due to reduction of work force with or without the possibility of recall to employment when conditions warrant.

13.29. "Limitation Year" means the calendar year or any other 12-consecutive-month period adopted for all qualified deferred compensation plans of the Company pursuant to a written resolution adopted by the Company.

13.30. "Matching Contribution" means contribution made to the Trust in accordance with Section 3.7 hereof.

13.31. "Matching Contribution Account" means that portion of Participant's Account which is attributable to Matching Contributions by the Companies, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

13.32. "Net Annual Profits" means the current earnings of the Companies for the Plan Year determined in accordance with generally accepted accounting principles before federal and local income taxes and before contributions to this Plan or any other qualified plan.

13.33. "Net Profits" means the accumulated earnings of the Companies at the end of the Plan Year determined in accordance with generally accepted accounting principles. For the purposes hereof "accumulated earnings at the end of the Plan Year" shall include Net Annual Profits for such Plan Year calculated before any deduction is taken for depreciation, if any.

13.34. "Nonforfeitable" means an unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

13.35. "Normal Retirement Age" means the Participant's sixty-fifth (65th) birthday.

13.36. "Participant" means an individual who is enrolled in the Plan pursuant to Article III and has not withdrawn the entire amount of his or he Account.

13.37. "Pay Period" means a scheduled period for payment of wages or salaries.

13.38. "Period of Participation" means that portion of a Period of Service during which the Eligible Employee was a Participant, and had an Employee Account in the Plan. For purposes of determining a Period of Participation, participation in the Raytheon Savings and Investment Plan, the Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees, and the Raytheon Employees Savings and Investment Plan shall be considered as participation in this Plan.

13.39. "Period of Service" means the period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date.

13.40. "Period of Severance" means the period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

13.41. "Plan" means the Raytheon Savings and Investment Plan for Puerto Rico Based Employees as amended from time to time.

13.42. "Plan Year" means a calendar year, or a portion thereof occurring prior to the termination of the Plan.

13.43. "Reemployment Commencement Date" means the first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under Section 5.3 in determining whether a Participant has a Nonforfeitable right to his or her Matching Contribution Account.

13.44. "Retirement" means a Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

13.45. "Retirement Act" means the Employee Retirement Income Security Act of 1974, including any amendments thereto.

13.46. "Rollover Contribution Account" means that portion of a Participant's Account which is attributable to rollover contributions received pursuant to Section 3.9, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

13.47. "Salaried Payrolls" means the nonexempt salaried and the exempt salaried payrolls which are processed in the United States.

13.48. "Severance from Service" means the termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Authorized Military Leave of Absence or Disability.

13.49. "Severance from Service Date" means the earlier of:

(a) the date on which an Employee quits, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c) and (d) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than quit, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a layoff as the result of a permanent plant closing, the Administrator may designate the date of layoff or other appropriate date prior to the first anniversary of the first date of absence as the Severance From Service Date; or

(c) in the case of an Authorized Military Leave of Absence from which the Employee does not return prior to expiration of recall rights, "Severance from Service Date" means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, "Severance from Service Date" means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or quits (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date," for the sole purpose of determining the length of a Period of Service, shall mean the first anniversary of the quit or discharge.

13.50. "Subsidiary" means any corporation designated by the Board of Directors as a Subsidiary, provided that for the purposes of the Plan no corporation shall be considered a Subsidiary during any period when less than fifty percent (50%) of its outstanding voting stock is beneficially owned by the Company.

13.51. "Surviving Spouse" means a lawful spouse surviving the Participant as of the date of Participant's death.

13.52. "Trust" means all cash and other property contributed, paid or delivered to the Trustee under the Trust Agreement, all investments made therewith and proceeds thereof, and all earnings and profits thereon, less payments, transfers or other distributions which, at the time of reference, shall have been made by the Trustee as authorized under the Trust Agreement.

13.53. "Trust Agreement" means the Raytheon Company Master Trust for Defined Contribution Plans dated July 31, 1992, as amended, and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

13.54. "Trustee" means the Fidelity Management Trust Company and any successor or successors thereto under the Trust Agreement.

13.55. "Valuation Date" means the last business day of each calendar month.

13.56. Words used in either the masculine or feminine gender shall be read and construed so as to apply to both genders where the context so warrants. Words used in the singular shall be read and construed in the plural where they so apply.

EXHIBIT 4.7

E-SYSTEMS SAVINGS AND INVESTMENT PLAN

Article I

PREAMBLE

WHEREAS, effective July 1, 1973, E-Systems, Inc. organized and existing under the laws of the State of Delaware, established the Employee Stock Ownership Plan for its eligible Employees (hereinafter referred to as the "Previous Plan") which was restated January 1, 1976 and January 1, 1989, and amended thereafter from time to time; and

WHEREAS, the Previous Plan, prior to January 1, 1995, included ESOP and PAYSOP Accounts, the Tax-Advantaged Capital Accumulation Plan (T-CAP), Savings and Investment Plan (S & I) accounts, after-tax employee contribution accounts and certain HRB accounts and rollover accounts; and

WHEREAS, the Previous Plan was amended and restated, effective January 1, 1995, into two separate plans with separate plan documents, with the ESOP and PAYSOP Accounts continued, on a combined basis, in a restated Employee Stock Ownership Plan, and the T-CAP, S & I, after-tax employee contribution, HRB and rollover accounts spun off and continued in a new Employee Savings Plan;

WHEREAS, as a result of the acquisition of E-Systems, Inc. by Raytheon Company in May, 1995, the final ESOP contribution was made under the ESOP for the period from January 1, 1995 through April of 1995 and the ESOP was then merged into the Employee Savings Plan with a new annual Regular Discretionary Employer Contribution under the Employee Savings Plan, beginning with the period after the final ESOP contribution; and

WHEREAS, the Corporation now desires to make certain further changes to the Employee Savings Plan, including: (i) the adoption of full and immediate vesting of Members in all of their accounts, (ii) providing for an investment committee to direct the investments of certain specified contributions and accounts for which no investment direction is given by Members and (iii) the replacement of the Melpar Division with the new Falls Church Division as a participating division hereunder;

NOW, THEREFORE, the Employee Savings Plan is hereby restated and amended, superseded and replaced by this separate restated Employee Savings Plan, effective January 1, 1995.

There will be no termination and no gap or lapse in time or effect between such Plans, and the existence of a qualified Plan shall be continuous and uninterrupted.

This restated Plan, which is a profit sharing plan, is conditioned upon its qualification under Sections 401(a), 401(k) and 401(m) of the Internal Revenue Code of 1986, as amended from time to time, with employer contributions being deductible under Section 404 of said Code or any other applicable sections thereof, as amended from time to time.

The terms and conditions of this restated Plan are as follows:

ARTICLE II

Purpose and Definitions

2.1 Purpose: The purpose of this Plan is to encourage Employees to save and invest, systematically, a portion of their current Compensation in order that they may have a source of additional income upon their Retirement or Disability, or for their family in the event of death. The benefits provided by this Plan will be paid from the Trust Fund and will be in addition to the benefits Employees are entitled to receive under any other programs of the Employer.

This Plan and the separate related Trust forming a part hereof are established and shall be maintained for the exclusive benefit of the eligible Employees of the Employer and their Beneficiaries. No part of the Trust Fund can ever revert to the Employer or be used for or diverted to any other purpose other than for the exclusive benefit of the Employees of the Employer and their Beneficiaries, except as provided in Section 18.4 hereof.

2.2 Definitions: Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth below, unless the context clearly indicates otherwise:

(a) Affiliated Employer: Any business entity (including an Employer hereunder) that, together with an Employer hereunder, constitutes a controlled group of corporations, a group of trades or businesses under common control, or an affiliated service group, all as defined in Code Section 414 (subject, however, to the provisions of Code Section 415(h) when applying the benefit limitations of Code Section 415).

(b) Allocation Date: The date as of which contributions are allocated hereunder, which shall be

(1) as soon as practicable after the end of each payroll period as to Salary Deferral, after-tax Employee and Matching Employer Contributions,

(2) as soon as practicable after receipt hereunder as to Rollover Contributions,

(3) the last day of December as to Discretionary Employer Contributions.

The Committee may use other Allocation Dates if it so desires, but must have at least one Allocation Date per year for each type of contribution.

(c) Beneficiary: A person designated by a Member to receive benefits hereunder upon the death of such Member.

(d) Code: The Internal Revenue Code of 1986, as amended from time to time.

(e) Committee: The persons appointed to administer the Plan in accordance with Article XIII hereof, but who will have no responsibility as to the management and investment of Plan assets.

(f) Compensation: As to any payroll period, for purposes of determining Salary Deferral or Employee Contributions, the base rate of pay of an Employee applicable for such period, regardless of whether actually paid (including any base rate of pay amount that is deducted from such Employee's pay for such period under Code Section 125 or 401(k)).

As to any Plan Year, for purpose of determining Discretionary Employer Contributions, the lesser of:

(i) the cumulative annual base rate of pay applicable to an Employee for such year regardless of whether actually paid (including any base rate of pay amount that is deducted from such Employee's pay for such year under Code Section 125 or 401(k)) or,

(ii) the sum of the taxable remuneration (as reported on Form W-2 or its equivalent) paid to an Employee by the Employer for personal services, plus any pre-tax employee contribution made by the Employee under any Employer plan in accordance with Code Section 125 or 401(k).

Base rate of pay is an Employee's basic rate of remuneration for personal services, excluding such items as shift differential, quarterly wage adjustments, commissions, unused sick pay, severance pay, allowances, awards, lump sum payments, per diem payments and imputed income.

Compensation will be determined by excluding any amount in excess of the dollar limit allowed under Code Section 401(a)(17)). If during a year any Employee ("family member") is the spouse or lineal descendant, below age 19, of another Employee ("HCE") who either is a five percent (5%) owner (as defined in Code Section 416(i) or is a highly compensated employee (as defined in Code Section 414(q) in the group consisting of the ten (10) such highly compensated employees with the greatest compensation during such year, then, for purposes of the above dollar limitation, such "family member's" compensation for such year will be aggregated with such "HCE's" compensation for such year. The dollar limit applicable to each such Employee's compensation for such year will be the dollar limit applicable for such year multiplied by a fraction, the numerator of which is such Employee's unlimited compensation for such year and the denominator of which is the sum of the unlimited compensation for such year for all Employees with whom such Employee is a family member, as defined above.

(g) Contributions: Amounts contributed hereunder for allocation to Members as follows:

(1) Salary Deferral Contributions: The pre-tax contributions made under Section 4.1a hereof through salary deferral pursuant to Code Section 401(k).

(2) Employee Contributions: The after-tax contributions made by Members under Section 4.2 hereof not through salary deferral).

(3) Matching Employer Contributions: The matching Employer Contributions made under Section 4.1a. hereof.

(4) Regular and Optional Discretionary Employer Contributions: The contributions made by the Employer, under Section 4.1a hereof, which are determined at the discretion of the Employer.

(5) Rollover Contributions: The contributions made by an Employee under Section 4.3 hereof, which constitute the Employee's distribution from a prior plan.

(h) Corporation: Raytheon E-Systems, Inc., (formerly known as E-Systems, Inc. prior to July 3, 1996) a corporation organized and existing under the laws of the State of Delaware or its successor or successors.

(i) Covered Employment: The employment category for which the Plan is maintained, which includes any employment with the Employer, excluding:

employment as a "leased employee" (as such term is defined within the definition of Employee below)

employment as a non United States citizen who was hired on or after December 2, 1964, and who is employed outside the territorial United States or only temporarily within the territorial United States.

Provided, however, that employment with a subsidiary or affiliate of the Corporation or employment in any division, subdivision, branch or unit of the Corporation or in any employment position with an Employer entered into in connection with a business acquisition on or after January 1, 1995, or in any employment position created in connection with such a business acquisition shall only be covered hereunder if so provided in part I or II of the Participation Exhibit attached to and made a part of this Plan.

(j) Effective Date: January 1, 1995, except as otherwise provided herein.

(k) Employee: Any person who, on or after the Effective Date, is receiving remuneration for personal services rendered as a common law employee of the Employer or Affiliated Employer or who is on a Leave of Absence. A "leased employee" will also be deemed an Employee. A "leased employee" is any leased employee within the meaning of Code Section 414(n)(2), except that if such leased employees constitute less than twenty percent (20%) of the Employer's nonhighly compensated workforce within the meaning of Code Section 414(n)(5)(C)(ii), then the term "Employee" will not include those leased employees covered by a plan described in Code Section 414(n)(5) unless otherwise provided by the terms of such plan (or this Plan).

(l) Employer: The Corporation and any other organization which adopts the Plan in accordance with Article XV hereof. Any Employer under the Previous Plan that was participating in the portion of the Previous Plan that is continuing under this Plan shall automatically become an Employer under this Plan on the Effective Date.

(m) Employer Stock: Common stock of E-Systems, Inc. prior to the acquisition of E-Systems, Inc. by Raytheon Company in May, 1995 and thereafter, the common stock of Raytheon Company.

(n) ERISA: The Employee Retirement Income Security Act of 1974, as amended from time to time.

(o) Individual Account: Each of the accounts showing the individual interests in the Trust Fund of each Member, former Member, and Beneficiary, as described in Section 5.1 hereof. If so provided for in a qualified domestic relations order (as defined in Code Section 414(p)), an account will be maintained for an alternate payee representing such alternate payee's interest hereunder.

(p) Leave Of Absence: Any absence from service authorized by an Employer under such Employer's standard personnel practices for reasons other than termination of employment, death, discharge or retirement, provided that all persons under similar circumstances must be treated alike in the granting of such Leaves of Absence.

(q) Limitation Year: The calendar year used in applying Code Section 415.

(r) Member: An Employee who has met the eligibility requirements for participation set forth in Article III hereof.

(s) Plan: E-Systems, Inc. Employee Savings Plan (as restated January 1, 1995), the Plan set forth herein, as amended from time to time, which replaces the original Employee Savings Plan adopted effective January 1, 1995, which was spun off from the previous Employee Stock Ownership Plan. This Plan includes:

(i) a salary deferral arrangement under Code Section 401(k), with matching contributions under Code Section 401(m), sometimes referred to as the E-Systems, Inc. Tax-Advantaged Capital

Accumulation Plan (T-CAP),

(ii) a voluntary after-tax Employee contribution portion,

(iii) a prior savings and investment plan portion, and

(iv) a discretionary Employer contribution portion,

(v) a prior plan employer contribution portion, and

(vi) a prior ESOP assets portion.

(t) Plan Administrator: The Corporation.

(u) Plan Year: Each annual period beginning on January 1st and ending on December 31st.

(v) Previous Plan: The E-Systems, Inc. Employee Stock Ownership Plan (As Restated Effective January 1, 1989) and any predecessor thereto, in force and effect for the period prior to the Effective Date, the plan from which this Plan was spun off. Any reference herein to the Previous Plan as of a certain date or for a certain period shall be deemed a reference to the Previous Plan as then in effect.

(w) Trust Agreement: The trust agreement maintained in connection with the Plan, amended from time to time, which constitutes a part of this Plan.

(x) Trust Or Trust Fund: The fund maintained in accordance with the terms of the Trust Agreement.

(y) Trustee: Any corporation or individuals appointed by the Employer to administer the Trust in accordance with the Trust Agreement.

(z) Valuation Date: The date as of which the Investment Funds are valued and gains or losses allocated, which shall be every business day (or such other dates as may be provided for by the Investment Funds in which such accounts are invested). The Committee may use other Valuation Dates if it so desires, from time to time, but must have at least one Valuation Date per year.

2.3 Construction: The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, unless the context indicates to the contrary.

ARTICLE III

Participation Requirements

3.1 Participation Originating Under The Previous Plan: Employees in Covered Employment who were participants in the portion of the Previous Plan spun off into this Plan, immediately prior to the Effective Date, or would have become participants in such portion of the Previous Plan on the Effective Date, shall automatically become Members in this restated Plan as of the Effective Date.

3.2 Participation Originating Under This Plan: Each Employee who does not become a Member in this Plan in accordance with Section 3.1 hereof, shall become a Member in this Plan as of his first day of Covered Employment.

3.3 Cessation Of Participation And Reentry: If a Member leaves Covered Employment, he will cease his participation in this Plan (except as to any remaining account balance), but will, upon recommencement of Covered Employment, again become a Member hereunder.

3.4 Participating Divisions, Units, Subsidiaries Or Affiliates: Any Employee who is employed within a covered class by a division, subdivision, branch, unit, subsidiary or affiliate of the Employer that has been designated by the Employer as a participating division, subdivision, branch, unit, subsidiary or affiliate (as shown in part I of the Participation Exhibit, which is attached to and made a part of this Plan) shall become a Member in this Plan upon his employment commencement date or date when such division, subdivision, branch, unit, subsidiary or affiliate begins its participation in this Plan if later.

3.5 Participation Of Employees Of New Employers: If, after the Effective Date hereof, any employer adopts the Plan and Trust as a new Employer as herein provided, it shall specify in its adoption resolution or decision an initial date for the application and enrollment of its eligible Employees under the Plan and shall thereafter be governed by the provisions of this Article III.

3.6 Temporary Part-Time Employees: The 1,000 hour eligibility requirement, effective July 1, 1994, under Section 3.7 of the previous Employee Stock Ownership Plan as to any Employee in a temporary part-time job category is revoked retroactive to July 1, 1994.

ARTICLE IV

Contributions

4.1 Contributions By Employer:

a. Types Of Contributions: The Employer shall, during a Plan Year, contribute the following to the Trust:

(1) Salary Deferral Contribution, for each Member eligible under part I or II of the Participation Exhibit attached to this Plan, employed by such Employer, determined according to such Member's salary deferral election for such year under b. below. Such contribution is for allocation, in accordance with Section 5.2 hereof, to the Member's Salary Deferral Contribution Account.

(2) Matching Employer Contribution, for each Member eligible under part I or II of the Participation Exhibit attached to this Plan, equal to fifty percent (50%) of the matchable portion of each eligible Member's Salary Deferral Contribution hereunder, such matchable portion being up to the first three percent (3%) of Compensation the Member contributes as a Salary Deferral Contribution during the Plan Year while in a job classification eligible for a Matching Employer Contribution. Such contribution is for allocation, in accordance with Section 5.2 hereof, to such Members' Matching Employer Contribution Accounts.

(3) Regular Discretionary Employer Contribution, determined at the discretion of the Employer's Board of Directors, for Members eligible under part I or II of the Participation Exhibit attached to this Plan. Such contributions are not to exceed one and one-half percent (1-1/2%) of Members' Compensation, with the contribution for the 1995 Plan Year to be only with respect to Members' Compensation for such year which is in excess of the Member's compensation used under the prior Employee Stock Ownership Plan for determining the final 1995 contribution thereunder. Such contribution is for allocation, in accordance with Section 5.2 hereof, among such Members' Regular Discretionary Employer Accounts.

(4) Optional Discretionary Employer Contribution, determined at the discretion of the Employer's Board of Directors for Members eligible under part I or II of the Participation Exhibit attached to this Plan, with the contribution amount determined and allocated separately as to each Employee group specified in part I of such Participant Exhibit. Such contribution is for allocation, in accordance with Section 5.2 hereof, among such Member's Optional Discretionary Employer Accounts.

b. Member (Pre-Tax) Salary Deferral Elections: When he becomes a Member hereunder and at any time thereafter, a Member who is eligible under part I or II of the Participation Exhibit attached to this Plan may elect to defer (on a pre-tax basis) a portion of his Compensation; provided, however:

(1) The Committee may require such contributions to be a whole dollar or a whole percentage of his Compensation.

(2) Such deferral must meet the deferral percentage test in Section 10.2 hereof, and the Committee may require modifications throughout the year in order to meet such test.

(3) Such deferral cannot exceed the dollar limit in Section 10.1 hereof or the amount of cash remuneration actually payable to a Member during any payroll period.

(4) The Committee may establish a maximum deferral for any year.

A salary deferral agreement shall be entered into in such manner and at such times as the Committee may prescribe, provided that changes, suspensions or discontinuance of salary deferrals may be made by the Member at any time, and may be made by the Committee if called for under Section 10.1 or 10.2 hereof or if the Employer's deduction limits under Code Section 404(a) would otherwise be exceeded, or if the annual addition limitations under Code Section 415 would otherwise be exceeded as to any Employee.

4.2 Member (After-Tax) Contributions: Any Member eligible under part I or II of the Participation Exhibit attached to this Plan may, through payroll deduction (unless the Committee approves another method), elect to make Employee Contributions hereunder (on an after-tax basis); provided, however:

(1) The amount of contribution for any pay period (subject to Section 10.2 hereof) must be equal to two percent (2%), four percent (4%), six percent (6%), eight percent (8%), or ten percent (10%) of his Compensation for such pay period and in any payroll period cannot exceed the cash remuneration then actually payable to the Member.

(2) The Committee may require such contributions to be a whole dollar amount of his Compensation.

(3) Such contribution must meet the contribution percentage test in Section 10.2 hereof, and the Committee may require modifications throughout the year in order to meet such test.

(4) The total Employee Contributions made by a Member hereunder (including any such contributions made under the Previous Plan) cannot exceed ten percent (10%) of his aggregate Compensation for all such years while he was a Member hereunder (and under the Previous Plan).

An election to make such contributions shall be made in such manner and at such times as the Committee may prescribe, provided that changes, suspensions or discontinuance of contributions may be made by the Member in accordance with Committee guidelines, and may be made by the Committee if called for under Section 10.2 hereof, or if the annual addition limitations under Code Section 415 would otherwise be exceeded as to any Employee.

4.3 Rollover Contribution: If an individual is an Employee in Covered Employment who has become, or is expected to become, a Member, he may contribute, or cause to be contributed, to this Plan all or part of any eligible rollover distribution (as defined in Code Section 402(c)) he has received under another qualified retirement plan. Such contribution shall only be made in accordance with Committee guidelines and is for allocation to the Employee's Rollover Account.

ARTICLE V

Maintenance Of Individual Accounts

5.1 Establishment Of Individual Accounts: The Committee shall create and maintain adequate records to reflect at all times the interest in the Trust Fund of each Member. Such records shall be in the form of separate Individual Accounts for each Member who has an interest in the Trust Fund, such accounts to be referred to as follows:

a. Salary Deferral Account (T-CAP 401(k)): The account representing Salary Deferral Contributions made under this Plan and gains or losses allocable thereto, originally effective under the Previous Plan on January 1, 1984.

b. Regular Employee Contribution Account (After-Tax): The account representing Employee Contributions made prior to September 25, 1995 and gains or losses allocable thereto (other than those included in c. and d. below).

c. HRB Employee Contribution Account (HRB After-Tax): The account representing Employee Contributions by HRB Systems Employees under the Previous Plan during 1990, and gains or losses allocable thereto.

d. Voluntary Savings Account (Prior Voluntary After-Tax): The account representing after-tax Employee contributions made under the Previous Plan voluntary savings program prior to April 1, 1980, and gains or losses allocable thereto.

e. Employee Contribution Account: Any of the Employee Contribution Accounts in b., c. or d. above.

f. Matching Employer Contribution Account: The account representing Matching Employer Contributions made hereunder and gains or losses allocable thereto, effective January 1, 1995.

g. Prior Plan Employer Contribution Account: The account representing matching employer contributions made for HRB Systems Employees in 1990 under the Previous Plan and gains or losses allocable thereto and any account representing employer contributions made under a prior plan that has been transferred to this account under this Plan and gains or losses allocable thereto.

h. Regular Discretionary Employer Account (E-CAP): The account representing Regular Discretionary Employer Contributions and forfeitures, and gains or losses allocable thereto, effective May, 1995.

i. Optional Discretionary Employer Account: The account representing Optional Discretionary Employer Contributions and forfeitures, and gains or losses applicable thereto, effective January 1, 1995.

j. Discretionary Employer Account: The total of the Regular and Optional Discretionary Employer Accounts.

k. Savings And Investment Account: The account representing Employee and Employer Contributions made before July 1, 1973 under the prior savings and investment plan and gains or losses allocable thereto. Subaccounts will be maintained reflecting the portion of the account attributable to Employee Contributions and the portion attributable to Employer Contributions.

l. Rollover Account: The account representing Rollover Contributions and gains or losses allocable thereto.

m. Prior ESOP Assets Account: The account representing a Member's ESOP Account under the E-Systems, Inc. Employee Stock Ownership Plan (as restated January 1, 1995), and gains or losses allocable thereto, which account was transferred to this Plan as part of the merger of such Employee Stock Ownership Plan into this Plan after the final ESOP Contribution was made for April of 1995.

Credits and charges shall be made to such accounts in the manner herein described. The Individual Accounts are primarily for accounting purposes, and a segregation of the assets of the Trust Fund to each account by the Trustee shall not be required. Distributions and withdrawals made from an account shall be charged to the account as of the date when paid.

Account balances from the Previous Plan shall be carried forward into the above-referenced accounts, as applicable.

Account balances from a prior plan (other than the Previous Plan) will be credited to the appropriate accounts named above upon the transfer of said plan's assets to this Plan. Account balances from the prior plans listed in part V of the Participation Exhibit have been transferred to this Plan.

5.2 Allocation Of Contributions: Each contribution for Members eligible under the provisions below shall be allocated as follows:

a. Salary Deferral Contributions And Employee Contributions: Any Salary Deferral Contribution or Employee Contribution received hereunder on behalf of a Member shall be allocated to this Salary Deferral Contribution Account or Employee Contribution Account, as the case may be, as of the Allocation Date applicable to such contribution.

b. Matching Employer Contributions: Any Matching Employer Contribution received hereunder for a Member will be allocated to his Matching Employer Contribution Account as of the Allocation Date applicable to such contribution.

c. Regular and Optional Discretionary Employer Contributions: On the applicable Allocation Date for a Regular or Optional Discretionary Employer Contribution the applicable Regular or Optional Discretionary Employer Account of each eligible Member who is then employed by the Employer in the class of Employees eligible for such contribution (or was transferred during the current year to a job classification with the Employer or an Affiliated Employer in which the Member ceased to be eligible for such contribution hereunder and was still so employed at the end of such year) will be credited with the allocable share of such contribution. The amount to be allocated from any such contribution to the applicable account of each eligible Member shall be in the proportion that each eligible Member's Compensation (while he was a Member in a job classification eligible for such contribution hereunder) for the Plan Year bears to the total Compensation of all such eligible Members (while they were such Members) for the Plan Year. However, the 1995 Plan Year allocation of Regular Discretionary Employer Contributions shall be based only on Members' Compensation for such year which is in excess of the Members' Compensation used in determining the final 1995 contribution allocation under the prior Employee Stock Ownership Plan. The above provisions of this paragraph shall be applied separately to each of the separate eligible classes of employees as to any Optional Discretionary Employer Contribution applicable to such class of Employees under Section 4.1a. hereof.

5.3 Allocation Of Gains And Losses: Each Investment Fund's gains or losses shall be determined and allocated by its fund manager as of each Valuation Date.

5.4 Investment Options:

a. Investment Alternatives: The Plan permits a Member or Beneficiary to exercise control over the assets in his accounts. The Member's or Beneficiary's exercise of control is intended to bring the Plan within the rule of section 404(c) of ERISA. The Member or Beneficiary may invest the assets in his accounts in one or more of the available investment alternatives set by the Investment Committee from time to time pursuant to section 13.9, one of which shall be the Raytheon Common Stock Fund (as described in c. below).

b. Investment Directions: Investment directions may be given in writing or orally, pursuant to a procedure set by the Investment Committee. A Member or Beneficiary who gives oral investment directions shall be provided with an opportunity to obtain written confirmation of these directions. The Investment Committee may impose reasonable restrictions on the frequency with which investment directions may be given with regard to a specific investment alternative; provided, however, that such restrictions must not prevent the Plan from complying with section 404(c) of ERISA.

Upon initial participation in the Plan, a Member shall complete an investment direction for any contributions made on his behalf. Matching Employer Contributions, Regular Discretionary Employer Contributions, if any, and Optional Discretionary Contributions, if any, made on behalf of the Member will be invested in accordance with the direction provided with regard to Salary Deferral Contributions, unless other investment directions are provided. A Member or Beneficiary may transfer assets in his accounts between investment alternatives in accordance with procedures established under the Plan.

The Investment Committee shall be the fiduciary responsible for receiving all investment directions. The Investment Committee may delegate the responsibility for receiving these directions to another fiduciary. The Investment Committee, or the fiduciary designated thereby, must follow any investment direction given by a Member or Beneficiary; provided, however, that the Investment Committee or its delegate, shall not follow any investment direction that:

(1) would generate taxable income to the Plan;

(2) would not be in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of Title I of ERISA;

(3) would cause the fiduciary to maintain the indicia of ownership of any assets of the Plan outside the jurisdiction of the district courts of the United States, other than as permitted by section 404(b) of ERISA and DOL Reg. Section 2550.404b-1;

(4) would jeopardize the Plan's tax qualified status under the Code;

(5 could result in a loss in excess of a Member's or Beneficiary's account balance; or

(6) would result in a prohibited transaction under Section 406 of ERISA or section 4975 of the Code, including but not limited to a direct or indirect

(a) sale, exchange, or lease of property between the Corporation or any Affiliated Employer and the Plan, except for the acquisition or disposition of any interest in a fund, subfund, or portfolio managed by the Corporation or any Affiliated Employer, or the purchase or sale of any qualifying employer security (as defined in section 407(d)(5) of ERISA) which meets the conditions of section 408(e) of ERISA and paragraph (d) of this section 5.4(b)(6);

(b) loan to the Corporation or any Affiliated Employer;

(c) acquisition or sale of any employer real property (as defined in section 407(d)(2) of ERISA);

(d) acquisition or sale of any employer security except to the extent that:

(i) such securities are qualifying employer securities as defined in section 407(d)(5) of ERISA;

(ii) such securities are stock or an equity interest in a publicly traded partnership (as defined in section 7704(b) of the Code), but only if such partnership is an existing partnership as defined in section 10211(c)(2)(A) of the Revenue Act of 1987;

(iii) such securities are publicly traded on a national exchange or other generally recognized market;

(iv) such securities are traded with sufficient frequency and in sufficient volume to assure that Member and Beneficiary directions to buy or sell the security may be acted upon promptly and efficiently;

(v) information provided to shareholders of such securities is provided to Members and Beneficiaries with accounts holding such securities;

(vi) voting, tender, and similar rights with respect to such securities are passed through to Members and Beneficiaries with accounts holding such securities; and

(vii) information relating to the purchase, holding, and sale of securities, and the exercise of voting, tender, and similar rights with respect to such securities by Members and Beneficiaries is maintained in accordance with procedures established by the Investment Committee pursuant to section 13.9, which are designed to safeguard the confidentiality of such information, except to the extent necessary to comply with Federal laws or state laws not preempted by ERISA.

c. Investment In The Raytheon Common Stock Fund. One of the investment alternatives available under the Plan shall be the Raytheon Common Stock Fund. Such Fund shall be operated in accordance with the requirements of section 5.4(b)(6)(d) of the Plan. A Member or Beneficiary shall be provided information with regard to the voting, tender, and similar rights appurtenant to the Member's or Beneficiary's interest in this investment alternative. If the Member or Beneficiary does not vote the shares attributable to his investment interest in the Plan, these shares shall not be voted.

d. Lack of Investment Direction: In the event that no investment directions have been provided with regard to a Member's or Beneficiary's account, the Investment Committee will invest such amounts in accordance with Section 13.9.

5.5 Notification To Members: At least once annually the Committee shall advise each Member for whom an Individual Account is held hereunder the amount held in such account.

ARTICLE VI

Vesting

6.1 Vesting: A Member shall at all times have a fully vested and nonforfeitable interest in his Individual Accounts hereunder. Payment shall be made at the time and in the manner provided in Articles VIII and IX hereof.

ARTICLE VII

Death

7.1 Designation Of Beneficiary: Each Member and former Member may, from time to time, designate one (1) or more primary Beneficiaries and contingent Beneficiaries to receive benefits payable hereunder in the event of the death of such Member or former Member. No Beneficiary designation by a married Employee of someone other than his spouse as a primary Beneficiary shall be effective unless the Employee's spouse (if his spouse can be located) consents in writing to such designation, acknowledges the effect of such designation and has such consent and acknowledgment witnessed by a Plan representative or a notary public. Such designation shall be made in writing upon a form provided by the Committee and shall be filed with the Committee. The last such designation filed with the Committee shall control. A beneficiary designation filed with the Committee shall continue in effect following a Member's divorce (unless duly changed by the Member), except that the designation shall be applied as if the Member's former spouse had predeceased the Member.

7.2 Benefit: Upon the death of an Employee who is a Member, his designated Beneficiary, or Beneficiaries, shall be fully vested with respect to the balance of his Individual Accounts hereunder. Payments shall be made at the time and in the manner provided in Article XI hereof.

7.3 No Beneficiary: If a Member or former Member dies without a Beneficiary surviving him, or if all his Beneficiaries die before receiving the payment to which they are entitled, then the amount, if any, remaining in such Member's Individual Account shall be paid to the following, with priority as follows:

a. the Member's surviving spouse; or if none, to

b. the Member's surviving children over age eighteen, and surviving children under age eighteen with a properly designated guardian, or if none, to

c. the Member's estate.

A certified copy of a death certificate shall be sufficient evidence of death and the Committee shall be fully protected in relying thereon. The Committee may accept other evidence of death at its own discretion.

ARTICLE VII

Death

7.1 Designation Of Beneficiary: Each Member and former Member may, from time to time, designate one (1) or more primary Beneficiaries and contingent Beneficiaries to receive benefits payable hereunder in the event of the death of such Member or former Member. No Beneficiary designation by a married Employee of someone other than his spouse as a primary Beneficiary shall be effective unless the Employee's spouse (if his spouse can be located) consents in writing to such designation, acknowledges the effect of such designation and has such consent and acknowledgment witnessed by a Plan representative or a notary public. Such designation shall be made in writing upon a form provided by the Committee and shall be filed with the Committee. The last such designation filed with the Committee shall control. A beneficiary designation filed with the Committee shall continue in effect following a Member's divorce (unless duly changed by the Member), except that the designation shall be applied as if the Member's former spouse had predeceased the Member.

7.2 Benefit: Upon the death of an Employee who is a Member, his designated Beneficiary, or Beneficiaries, shall be fully vested with respect to the balance of his Individual Accounts hereunder. Payments shall be made at the time and in the manner provided in Article XI hereof.

7.3 No Beneficiary: If a Member or former Member dies without a Beneficiary surviving him, or if all his Beneficiaries die before receiving the payment to which they are entitled, then the amount, if any, remaining in such Member's Individual Account shall be paid to the following, with priority as follows:

a. the Member's surviving spouse; or if none, to

b. the Member's surviving children over age eighteen, and surviving children under age eighteen with a properly designated guardian, or if none, to

c. the Member's estate.

A certified copy of a death certificate shall be sufficient evidence of death and the Committee shall be fully protected in relying thereon. The Committee may accept other evidence of death at its own discretion.

ARTICLE VIII

Withdrawals and Loans

8.1 Withdrawals: In accordance with Committee guidelines, each Member may, while in the employment of the Employer, withdraw amounts (not outstanding as a loan under Section 8.2) from this Plan, other than from his Matching Employer Contribution Account and Discretionary Employer Contribution Account. Any amount to be so withdrawn will be withdrawn from such available accounts (or portions thereof) in the order established by the Committee for this purpose, subject to the restrictions as to financial need described below, as applicable.

Any request for a withdrawal to be made from a Member's Salary Deferral Account or Prior Plan Employer Contribution Account before the Member has attained fifty-nine and one-half (59 1/2) years of age must be for hardship reasons and for this purpose must show that (i) the Member has an immediate and heavy financial need, and (ii) the withdrawal is necessary to satisfy such need.

The following rules apply:

(1) Immediate And Heavy Financial Need: An immediate heavy financial need shall be deemed to exist with respect to a Member only if the withdrawal request is on account of any of the following:

(A) Expenses for medical care described in Code Section 213(d) incurred by the Member, the Member's spouse, or any dependents of the Member (as defined in Code Section 152), including expenses necessary for any such person to obtain such medical care.

(B) Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Member.

(C) Payment of tuition and related educational fees, including room and board expenses, for not more than the next twelve months of post-secondary education for the Member, his spouse, children, or dependents.

(D) The need to prevent the eviction of the Member from his principal residence or foreclosure on the mortgage on the Member's principal residence.

(E) To pay taxes on any such withdrawal.

(2) Necessity Of Withdrawal To Satisfy Immediate And Heavy Financial Need: A hardship withdrawal request shall be deemed to be necessary to satisfy an immediate and heavy financial need only if all of the following conditions are satisfied:

(A) The amount of the withdrawal request is not in excess of the immediate and heavy financial need of the Member (including any reasonably anticipated taxes on such withdrawal).

(B) The Member has obtained all nonhardship distributions and all nontaxable loans currently available from all plans maintained by the Employer or Affiliated Employers. However, a hardship withdrawal from a Member's Prior Plan Employer Contribution Account is not available hereunder unless the Member has first made whatever hardship withdrawal is available from the Member's Salary Deferral Account.

(C) The Member's right to make elective contributions to this Plan and all other plans (including nonqualified deferred compensation plans) maintained by the Employer or Affiliated Employers is (and shall be) suspended for twelve (12) months after receipt of the hardship distribution. In the event more than one (1) distribution is made hereunder within a twelve (12) month period, the suspension period shall not be tacked to the remaining portion of the prior suspension period but rather shall start anew.

(D) The Member's right to make Salary Deferral Contributions to this Plan and all other plans maintained by the Employer or Affiliated Employers in the taxable year following the taxable year of the hardship distribution is (and shall be) limited to an amount equal to the applicable limit under Code Section 402(g) reduced by the Member's Salary Deferral Contributions in the taxable year of the hardship distribution. The term "taxable year" as used hereunder means the Member's taxable year.

8.2 Loans To Members: Loans to Members who are "parties-in-interest" (as described in ERISA Section 3(14)) shall be permitted only at the sole discretion of the Committee and shall only be granted in accordance with the following provisions, applied in a uniform and nondiscriminatory manner:

a. Loan Status: Each such Member's loan shall be an investment of such Member's Individual Account and the interest and principal paid on such loan shall be credited only to such Member's Individual Account. While such investment exists, the portion of the Member's Individual Account invested in such loan shall be disregarded when other Trust gains or losses are allocated among Individual Accounts hereunder.

b. Loan Application: Any Member's application for a loan shall be in such form, and shall contain such information as required by the Committee and will require the payment of a reasonable loan processing fee, as determined by the Committee. Such fee may include an application fee, as well as a continuing periodic fee assessed during the life of the loan.

c. Loan Restrictions: The Committee shall establish loan guidelines. Loans will be available only to Members whose repayment can be made through payroll deduction by the Employer. The Committee may, in its sole discretion, determine that no loans will be granted to any Members or may at any time cease granting any further loans. The Committee may, in its sole discretion, determine that loans to Members will be granted only for certain designated reasons or only up to certain designated amounts or only for certain minimum amounts or only from certain of Members' accounts or investment funds. Only one outstanding loan per Member will be allowed and in no event will any loan to a Member hereunder, exceed the lesser of:

(1) Fifty Thousand Dollars ($50,000), reduced by the highest outstanding balance of loan(s) from the Plan to such Member during the one (1) year period ending on the day before the date on which such loan was made.

(2) One-half ((OMEGA)) of the Member's interest in the plan.

d. Accounts As Collateral: The account from which the loan is being made shall, to the extent of the Amount borrowed, serve as collateral regardless of any other security pledged in conjunction with such loan.

e. Rate Of Interest: Interest on Member loans shall be charged at a reasonable and fair rate based on the then prevailing rates charged by reputable financial institutions.

f. Repayment - Collection: Any such loan or loans shall be repaid by the Member within such time and in such manner as the Committee shall determine, but in any event within five (5) years (except as to loans used to acquire any dwelling which is, or within a reasonable time will become, the Member's principal residence); provided, however, substantially level amortization of such loan (with payments not less frequently than quarterly), shall be required over the term of the loan. The loan repayments will be invested hereunder in a manner consistent with the account from which the loan was made or consistent with any contribution to such account. In the event that the Member does not repay such loan within the time or manner prescribed, the Committee may deduct the total amount of such loan or any portion thereof from any payment or distribution from the Trust Fund to which such Member or his Beneficiary or Beneficiaries may be entitled. In the event that the amount of any such payment or distribution is not sufficient to repay the remaining balance of any such loan, such Member shall be liable for and continue to make payments on any balance still due from him.

g. Spousal Consent: Any such loan shall be subject to spousal consent within ninety (90) days

prior to the date the loan is made.

8.3 Transfer of Salary Deferral (T-CAP Account) to Serv-Air, Inc. Savings and Retirement Plan: Any Member who is an Employee of Serv-Air, Inc. and who ceased to be in Covered Employment under the Previous Plan due to the change in the definition of Covered Employment (as a result of Amendment No. One to the previous Employee Stock Ownership Plan effective January 1, 1993) shall be entitled to instruct the Committee to transfer the balance of his Salary Deferral Account in this Plan to a salary deferral account established in his name in the Serv-Air, Inc. Savings and Retirement Plan.

ARTICLE IX

Account Distributions And Transfers

9.1 Notice To Trustee: As soon as practicable after a person becomes entitled to a distribution hereunder and after he has filed with the Committee a proper written request for payment the Committee shall give written notice to the Trustee, which notice shall include such of the following information and directions as are necessary or advisable under the circumstances:

a. Name of the Member.

b. Reason for the distribution.

c. Name and address of the Beneficiary or Beneficiaries in case of a Member's death.

d. Time, manner and amount of payments to be made pursuant to Section 9.2 hereof.

9.2 Method Of Payment: The Committee shall (subject to Section 9.5) direct that benefits be paid to the Member or his Beneficiary in the following ways:

a. Lump Sum: Subject to b. below, all accounts shall be paid as a lump sum in cash, except that whole shares of Employer Stock will be paid in kind.

b. Insured Annuity: The Regular Employee Contribution, Voluntary Savings, and Savings and Investment Accounts may be applied to purchase an insured annuity, (subject to insurance company requirements).

9.3 Time and Rate of Payment: After termination of employment a Member shall be given an option to elect either (i) immediate distribution or (ii) a deferred distribution if the Member has not yet reached age 70(OMEGA). If he elects immediate distribution, payment shall be made as soon as practicable but no later than one hundred twenty (120) days after the end of the Plan Year in which his employment ended. If he elects a deferred distribution, payment shall be made no later than the required beginning date after attainment of his age 70(OMEGA) under Section 9.4 hereof.

In no event will any distribution be on a period certain annuity basis over a period greater than the joint life expectancy of the Member and his Beneficiary.

If a Member dies after receiving partial distribution under an annuity, the balance will continue to be distributed at least as rapidly as under the method applicable to the Member at his death.

If a Member dies before his distribution commences, the balance of his Individual Account will be distributed to his Beneficiary as soon as practicable but no later than one hundred twenty (120) days after the end of the Plan Year in which the Member's death occurs, except Beneficiaries as to Member deaths prior to April 1, 1995 may defer payment, but if the Beneficiary is not the deceased Member's spouse, such deferral cannot exceed five years.

9.4 Age 70(OMEGA) Restrictions: In no event shall distribution of a Member's Individual Accounts be delayed beyond April 1st of the calendar year following the calendar year in which such Member attains age seventy and one-half (70(OMEGA)), except that on and after January 1, 1997, such payment will be required only if the Member's employment with all Affiliated Employers is terminated or the Member is a 5 percent (5%) owner (as defined in Code Section 416).

In any calendar year when a distribution must be made to a Member whose employment has not terminated, in accordance with the above provisions of this section, such distribution shall be made as soon as practicable after the beginning of such year (but not later than April 1st) and will consist of the prior December 31st balance in such Member's Individual Accounts. However, on and after January 1, 1996, if the Member is still employed by an Affiliated Employer on the date when the Member's initial post age 70(OMEGA) distribution is to be made, only the minimum required distribution under Code Section 401(a)(9) will be made, unless the Member duly elects a complete distribution. Any additional amount subsequently credited to such a Member's Individual Accounts will likewise be distributed as soon as practicable after the end of the calendar year when so credited, except that on and after January 1, 1996, if the Member is still so employed by an Affiliated Employer, only the minimum required distribution under Code Section 401(a)(9) will be made, unless the Member has duly elected a complete distribution.

9.5 Member May Elect Form Of Payment: In determining which method permitted in Section 9.2 hereof shall be applicable to a Member, the Committee shall follow the Member's election.

9.6 Minority Or Disability Payments: During the minority or incompetency of any person entitled to receive benefits hereunder, the Committee may direct the Trustee to make payments or distributions to the guardian of such person, or other persons as may be directed by the Committee. Neither the Committee nor the Trustee shall be required to see to the application of any payments so made, and the receipt of the payee (including the endorsement of a check or checks) shall be conclusive as to all interested parties.

9.7 Qualified Joint And Survivor Annuity Requirements: Notwithstanding anything above to the contrary, any Member who is married on the date his benefit is to commence, whose Individual Accounts are in excess of Three Thousand Five Hundred Dollars ($3,500), and who elects a form of life annuity, shall be paid such annuity in the form of a monthly Qualified Joint and Fifty Percent (50%) Survivor Annuity, unless an election to the contrary is in effect in accordance with the subsequent provisions of this Section. Under this form, the balance of his applicable Individual Account or Accounts (for which a Qualified Joint and Fifty Percent (50%) Survivor Annuity is available) shall be used to purchase a monthly annuity from an insurance company with a monthly amount paid to the Member for his lifetime, and the spouse (to whom the Member was married when his benefit commenced), if surviving at the Member's death, shall receive thereafter for life a monthly benefit of fifty percent (50%) of the monthly amount paid to the Member. The last payment shall be made as of the first day of the month in which occurs the death of the last surviving of the Member and his spouse.

Within a reasonable time before the Member's benefit commencement date, the Committee shall provide to the Member who elects a life annuity a written explanation of the terms and conditions of the Qualified Joint and Fifty Percent (50%) Survivor Annuity described herein and the effect of refusing it. If the Member wishes to elect a form of life annuity other than the Qualified Joint and Fifty Percent (50%) Survivor Annuity, such election will not become effective unless his spouse (if he has a spouse who can be located) consents in writing to such election, acknowledges the effect of such election and has such consent and acknowledgment witnessed by a Plan representative or a notary public. A properly completed benefit election form (furnished by the Committee) shall be returned to the Committee within the ninety (90) days prior to Member's benefit commencement date. If the Member files another election form after the earlier form and prior to his benefit commencement date, the earlier form shall be deemed annulled; provided, however, that unless the spouse duly revokes the right of consent as to such changes in election, the spouse's consent is required in the manner described above.

9.8 Qualified Domestic Relations Orders: Distribution to an alternate payee under any "qualified domestic relations order" (as defined in Code Section 414(p)) may be made as soon as practicable after receipt of such order by the Committee hereunder unless such order duly requires later payment. However, nothing contained in a qualified domestic relations order shall have the effect of accelerating any vesting of benefits under this Plan.

9.9 Direct Rollovers: This Section applies to distributions, including in-service withdrawals. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's distribution election, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this Section, the following definitions shall apply:

a. Eligible Rollover Distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any distribution under $200 that would otherwise be eligible for direct rollover, if such distribution includes the reissuance of a check originally issued prior to January 1, 1996 from a fund not maintained by The Vanguard Group.

b. Eligible Retirement Plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

c. Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

d. Direct Rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

9.10 Transfers to Another Plan: If the employment of an Employee covered under this Plan is transferred to another job classification not covered by this Plan but covered by another plan of an Affiliated Employer, then the Employee's Individual Accounts hereunder may be transferred to such other plan if such other plan provides for receipt of such accounts thereunder.

ARTICLE X

Code Sections 402(g), 401(k) and (m) Limitations

10.1 Dollar Limit: If a Member's Salary Deferral Contributions hereunder should exceed the dollar limit under Code Section 402(g) (subject to the cost-of-living adjustment set forth in Code Section 402(g)(5)), in any taxable year of the Member, the excess (adjusted for earnings or losses thereon) shall be distributed to the Member. If the Member also participates in another elective deferral program (within the meaning of Code Section 402(g)(3)) and if, when aggregating his elective deferrals under all such programs, an excess of deferral contributions arises under the dollar limitation in Code Section 402(g) with respect to such Member, the Member shall, no later than March 1st following the close of the Member's taxable year, notify the Committee as to the portion of such excess deferrals to be allocated to this Plan and such excess so allocated to this Plan (adjusted for earnings or losses thereon) shall be distributed to the Member after reduction by any excess contribution already distributed for such year under Section 10.2b hereof. Any distribution under this Section shall be made to the Member no later than the April 15th immediately following the close of the Member's taxable year for which such contributions were made.

10.2 Deferral And Contribution Percentage Tests:

a. Highly Compensated Employee: For purposes of this Section, after 1986, the term Highly Compensated Employee shall mean any Employee who, during the Plan Year of determination or the immediately preceding Plan Year:

(i) was at any time during such year(s) a five percent (5%) owner (as defined in Code Section 416(i)(1));

(ii) received compensation (as defined below) from the Affiliated Employers in excess of Seventy-Five Thousand Dollars ($75,000);

(iii) received compensation (as defined below) from the Affiliated Employers in excess of Fifty Thousand Dollars ($50,000) and was in the top twenty percent (20%) of the Employees of all Affiliated Employers (when ranked on the basis of compensation paid during such year); excluding, however, for purposes of determining the top twenty percent (20%):

(A) Employees who have not completed at least six (6) months of service;

(B) Employees who normally work less than seventeen and one-half (17(OMEGA)) hours per week;

(C) Employees who normally work not more than six (6) months during any Plan Year;

(D) Employees who have not attained age twenty-one (21);

(E) Employees covered under a collective bargaining agreement (to the extent permitted in appropriate regulations); and

(F) Employees who are nonresident aliens and who receive no earned income (as defined in Code Section 911(d)(2) which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)); or

(iv) was at any time an officer and received compensation (as defined below) greater than fifty percent (50%) of the dollar limitation in effect under Code Section 415(b)(1)(A) for such Plan Year; provided that, for purposes of this subparagraph (iv):

(A) no more than fifty (50) Employees (or if lesser, the greater of three (3) Employees or ten percent (10%) of the Employees) of the Affiliated Employers shall be considered as officers, and

(B) if in such Plan Year, no officer satisfied the requirements set forth in this subparagraph (iv) above, the highest paid officer of the Affiliated Employers during such Plan Year shall be considered an officer.

(1) For purposes of this Section, the term "compensation" shall have the same meaning as in Code Section 415(c)(3), without regard to Code Sections 125, 402(a)(8), 402(h)(1)(B), and 403(b) in the case of contributions made by an Affiliated Employer under a salary reduction agreement. Thus "compensation" includes taxable income reported on form W-2 (or its equivalent) plus salary reduction amounts under said Code Sections.

(2) For purposes of determining whether an Employee is highly compensated in the Plan Year for which the determination is being made, any Employee not described in subparagraphs (ii), (iii), or (iv) above for the preceding year (disregarding this paragraph (2)), shall not be treated as described in subparagraphs (ii), (iii), or (iv) above unless such Employee is a member of the group consisting of the one hundred (100) Employees of the Employer who were paid the highest compensation during the Plan Year for which such determination is being made. Notwithstanding the preceding sentence nor the first sentence in paragraph (a) above in this Section, if the Employer so elects, the determination described in said paragraph (a) above will be made only for the Plan Year of determination if such Plan Year is a calendar year and no such determination will be made for the immediately preceding Plan Year, in which event the preceding sentence in this such paragraph (2) will not apply; provided, however, the Employer may only make such election if the same election is made as to all plans, entities and arrangements of the Employer with respect to which a determination of Highly Compensated Employees is necessary.

(3) For purposes of this Section, if any individual is a member of the family (spouse, and lineal ascendants or descendants and the spouses of such lineal ascendants or descendants) of a five-percent (5%) owner or of a Highly Compensated Employee in the group consisting of the ten (10) highly compensated Employees paid the greatest compensation during such Plan Year, then the following provisions shall be applicable:

(A) such family member shall not be considered a separate Employee,

(B) any compensation paid to such family member (as well as any applicable contribution (or benefit) paid to or on behalf of such person) shall be treated as if it were paid to (or on behalf of) said five-percent (5%) owner or Highly Compensated Employee, and

(C) any excess as to such aggregated family members under the following provisions of this Section shall be allocated among such family members on the basis of their respective contributions combined for purposes of determining such excess.

(4) For purposes of this Section, former Employees shall be treated as Highly Compensated Employees, if:

(A) such an Employee was a highly compensated Employee upon termination of employment with the Affiliated Employers; or

(B) such an Employee was a highly compensated Employee at any time after attaining age fifty-five (55).

However, former Employees are disregarded when determining the top twenty-percent (20%), the top one-hundred (100) or the includible officers group above.

b. Deferral Percentage Test: Each Plan Year the Committee shall determine:

(i) The "deferral percentage" for each Employee who is then eligible for salary deferrals, which shall be the ratio of the amount of such Employee's salary deferral for such Plan year to the Employee's compensation (as defined in a.(1) above, subject to the dollar limitation set forth in Section 2.2(f) hereof), for such Plan Year.

(ii) The "highly compensated deferral percentage", which shall be the average of the "deferral percentages" for all Highly Compensated Employees then eligible for salary deferrals.

(iii) The "nonhighly compensated deferral percentage", which shall be the average of the "deferral percentages" for all Employees then eligible for salary deferrals who were not included in the "highly compensated deferral percentage" in (2) above.

In no event shall the "highly compensated deferral percentage" exceed the greater of:

(A) a deferral percentage equal to one and one-fourth (1 1/4) times the "nonhighly compensated deferral percentage"; and

(B) a deferral percentage equal to two (2) times the "nonhighly compensated deferral percentage" but not more than two (2) percentage points greater than the "nonhighly compensated deferral percentage".

If the above deferral percentage test would otherwise be violated as of the end of the Plan Year, then notwithstanding any other provision hereof, every contribution included in the "highly compensated deferral percentage" for a Member whose deferral percentage is greater than the permitted maximum shall automatically be revoked to the extent necessary to comply with such deferral percentage test and the amount of such contribution, to the extent revoked, shall constitute an "excess contribution" to be distributed to such Member (adjusted for earnings and losses thereon) within two and one-half (2(OMEGA)) months following the close of the Plan Year for which such contribution was made. Such excess shall first be reduced by any excess deferral for such Plan

Year already distributed to the Member under Section 10.1 hereof. To determine the amount of the excess contribution and the Members to whom the excess contributions are to be distributed, the Salary Deferral Contributions of Highly Compensated Employees shall be reduced in order of the deferral percentages beginning with the Highly Compensated Employee with the highest of the deferral percentages. The actual deferral percentage of the Highly Compensated Employee with the highest actual deferral percentage is reduced by the amount required to cause the Employee's actual deferral percentage to equal the percentage of the Highly Compensated Employee with the next highest actual deferral percentage. If a lesser reduction would satisfy the actual deferral percentage test, only this lesser reduction shall be made. This process will be repeated until the deferrals satisfy the actual deferral percentage test. The highest actual deferral percentage remaining under the Plan after completion of the above leveling procedure is the highest permitted actual deferral percentage. In no case may the amount of excess contributions to be distributed for a Plan Year with respect to any Highly Compensated Employee exceed the amount of Salary Deferral Contributions made on behalf of the Highly Compensated Employee for the Plan Year.

If a Highly Compensated Employee participates in two or more plans maintained by the Employer or Affiliated Employer, that are subject to the deferral percentage test, then such Employee's deferral percentage shall be determined by aggregating his participation in all such plans.

c. Contribution Percentage Test: Each Plan Year the Committee shall (subject to e. below) determine:

(i) The "contribution percentage" for each Employee who is then eligible to receive Matching Employer Contributions, which shall be the ratio of the amount of such Employee's Matching Employer Contribution to the Employee's compensation (as defined in a.(1) above, subject to the dollar limitation set forth in Section 2.2(f) hereof), for such Plan Year.

(ii) The "highly compensated contribution percentage", which shall be the average of the "contribution percentages" for all eligible Highly Compensated Employees.

(iii) The "nonhighly compensated contribution percentage", which shall be the average of the "contribution percentages" for all Employees then eligible who were not included in the "highly compensated contributions percentage" in (2) above.

In no event shall the "highly compensated contribution percentage" exceed the greater of:

(A) a contribution percentage equal to one and one-fourth (1-1/4) times the "nonhighly compensated contribution percentage"; and

(B) a contribution percentage equal to two (2) times the "nonhighly compensated contribution percentage" but not more than two (2) percentage points greater than the "nonhighly compensated contribution percentage".

If the above contribution percentage test would otherwise be violated as of the end of the Plan Year, then notwithstanding any other provision hereof every contribution included in the "highly compensated contribution percentage" for a Member whose contribution percentage is greater than the permitted maximum shall automatically be revoked to the extent necessary to comply with such contribution percentages test and the amount of such contribution, to the extent revoked, shall constitute an "aggregate excess contribution" to be distributed to such Member (adjusted for earnings or losses thereon) or forfeited, if applicable, within two and one-half (2(OMEGA)) months following the close of the Plan Year for which such contribution was made. To determine the amount of aggregate excess contributions and the Members to whom the aggregate excess contributions are to be distributed, the applicable contributions of Highly Compensated Employees are reduced in the order of their contribution percentage beginning with the Highly Compensated Employee with the highest contribution percentage. The actual contribution percentage of the Highly Compensated Employee with the highest actual contribution percentage is reduced by the amount required to cause the Employee's actual contribution percentage to equal the percentage of the Highly Compensated Employee with the next highest actual contribution percentage. If a lesser reduction would satisfy the actual contribution percentage test, only this lesser reduction shall be made. This process will be repeated until the Plan satisfies the actual contribution percentage test. The highest actual contribution percentage remaining under the Plan after completion of the above leveling procedure is the highest permitted actual contribution percentage. In no case may the amount of excess aggregate contributions with respect to any Highly Compensated Employee exceed the amount of Employee and Matching Employer Contributions made on behalf of the Highly Compensated Employee for the Plan Year.

If a Highly Compensated Employee participates in two (2) or more plans maintained by the Employer or Affiliated Employer that are subject to the contribution percentage test, then such Employee's contribution percentage shall be determined by aggregating his participation in all such plans. In addition, if the Employer maintains two (2) or more plans subject to the contribution percentage test and such plans are treated as a single plan for purposes of the coverage requirements for qualified plans under Code Section 410(b), then such plans are treated as a single plan for purposes of the contribution percentage test.

d. No Multiple Use of Alternative Limitation: As to Members subject to both of the limits in b. and c. above, additional reductions of the otherwise applicable limits shall be made as necessary to prevent multiple use of the alternative limitation (i.e., the two times or two percentage point limitation) in accordance with Treas. Reg. 1.401(M)-2.

e. Collective Bargaining Employees: Any collective bargaining unit Employees hereunder shall be disregarded when the above deferral and contribution percentage tests are applied to nonbargaining Employees. Each collective bargaining unit with Employees who are eligible to make salary deferral elections hereunder shall be separately subject to the deferral percentage test, or, if there is more than one collective bargaining unit with Employees eligible to make salary deferrals hereunder, such bargaining units may be aggregated in groups of two or more and each group shall be separately subject to the deferral percentage test, as determined each year by the Committee. The above contribution percentage test is deemed to be automatically met by any collective bargaining unit Employees otherwise subject to such test.

ARTICLE XI

Code Section 415 Limits

11.1 Limit On Annual Additions Under Code Section 415: Contributions hereunder shall be subject to the limitations of Code Section 415, as provided in this Section.

a. Definitions: For purposes of this Section the following definitions shall apply:

(1) "Annual Addition" shall mean the sum of the following additions to a Member's Individual Account for the Limitation Year:

(a) Employer contributions (including salary reduction contributions);

(b) His own (after-tax) contributions, if any;

(c) Forfeitures, if any.

Annual Additions to other Employer defined contribution plans (also taken into account when applying the limitations described below) shall include any voluntary employee contributions to an account in a defined benefit plan and any employer contributions to an individual retirement account or annuity under Code Section 408 or to a medical account for a key employee under Code Section 401(h) or 419A(d), except that the 25%-of-pay limit below shall not apply to employer contributions to a key employee's medical account after his separation from service.

(2) "Earnings" for any Limitation Year shall be the Employee's compensation received for personal services actually rendered in the course of employment with the Employer and reported as taxable income on Form W-2 (or subsequent equivalent).

b. Defined Contribution Plan(s) Only: The Annual Addition to a Member's Individual Account hereunder (together with the Annual Additions to the Member's account(s) under any other qualified defined contribution plan(s) maintained by an Affiliated Employer) for any Limitation Year may not exceed the lesser of:

(1) Thirty Thousand Dollars ($30,000.00), and for each year thereafter the dollar amount prescribed by the Secretary of the Treasury, to take into account any cost-of-living adjustment under Section 415(d) of the Code, or

(2) Twenty-five percent (25%) of the Member's Earnings for the Limitation Year.

c. Defined Contribution And Defined Benefit Plans: If, in any Limitation Year, a Member also participates in one (1) or more qualified defined benefit plans maintained by any Affiliated Employer (whether or not terminated), then for such Limitation Year, the sum of the Defined Benefit Plan Fraction (as defined below) for such Limitation Year and Defined Contribution Plan Fraction (as defined below) for such Limitation Year shall not exceed one (1.0).

The Defined Benefit Fraction for any Limitation Year shall mean a fraction (a) the numerator of which is the projected annual benefit of the member under the qualified defined benefit plan(s) (determined as of the close of the Limitation Year), and (b) the denominator of which is the lesser of One Hundred Twenty-Five Percent (125%) of the dollar limitation under Code Section 415(b)(1)(A) or One Hundred Forty Percent (140%) of the percentage limitation under Code Section 415(b)(1)(B) for the year of determination (taking into account the effect of Section 235(g)(4) of the Tax Equity and Fiscal Responsibility Act of 1982).

The Defined Contribution Fraction for any Limitation Year shall mean a fraction (a) the numerator of which is the sum of the Annual Additions (as defined during each applicable Limitation Year) to the Member's accounts under all qualified defined contribution plans maintained by an Affiliated Employer as of the close of the Limitation Year (subject to reduction to the extent permitted under the transition rule in Section 235(g)(3) of the Tax Equity and Fiscal Responsibility Act of 1982), and (b) the denominator of which is the sum of the lesser of One Hundred Twenty-Five Percent (125%) of the dollar limitation under Code Section 415(c)(1)(A) or One Hundred Forty Percent (140%) of the percentage limitation under Code Section 415(c)(1)(B), for such Limitation Year and for all prior Limitation Years during which the Employee was employed by an Affiliated Employer (provided, however, at the election of the Committee, the denominator shall be increased by using for Limitation Years ending prior to January 1, 1983, an amount equal to the denominator in effect for the Limitation Year ending in 1982, multiplied by the transition fraction provided in Code Section 415(e)(6)(B)).

If, in any Limitation Year, the sum of the Defined Benefit Plan Fraction and Defined Contribution Plan Fraction for a Member would exceed one (1.0) without adjustment of the amount of Annual Additions that can be allocated to such Member under paragraph b. of this Section, then the amount of maximum annual benefit that can be paid to such Member under any qualified defined benefit plan(s) maintained by an Affiliated Employer, shall be reduced to the extent necessary to reduce the sum of the Defined Benefit Plan Fraction and Defined Contribution Plan Fraction for such Member to one (1.0).

d. Excess Allocation: If forfeitures available for allocation or if a reasonable error in either estimating a Member's Earnings or in determining the Member's elective deferrals (under Code Section 402(g)(3)) or if other circumstances acceptable to the Internal Revenue Service would cause the limitation on Annual Additions described above to be exceeded, then the amount of such excess shall be disposed of as follows:

(1) The excess will be refunded to the Member from the Member's after-tax contributions for such year, if any (together with any investment gain).

(2) If any excess remains, it will be taken from the Member's elective pre-tax contributions for such year, if any, that are not eligible for an Employer matching contribution and either held by the Plan to be applied as an elective pre-tax contribution for the Member in the following year or refunded to the Member (together with any investment gain).

(3) If any excess remains, it will be allocated proportionately between the Member's remaining elective pre-tax contributions, if any, and Employer matching contributions, if any, for such year, with the elective pre-tax contribution portion either applied as an elective pre-tax contribution for the Member in the following year or refunded to the Member (together with any investment gain) and the Employer matching contribution portion forfeited and applied to reduce future Employer matching contributions hereunder.

(4) If any excess remains, it shall be forfeited from any other Employer contributions made for such Member for such year and applied to reduce future Employer contributions hereunder.

(5) If any excess remains attributable to another Affiliated Employer's defined contribution plan, such excess shall be disposed of in accordance with such other plan.

To the extent that the Committee determines that contributions not yet made to the Plan on behalf of Members would cause an excess hereunder if actually made to the Plan, the Committee may apply the above limitations prospectively to limit the contribution amount actually receivable by the Plan for such Member.

ARTICLE XII

Top-Heavy Requirements

12.1 Top-Heaviness and Plan Aggregation:

a. Determination Of Top-Heaviness: Subject to b. of this Section, this Plan will be considered to be top-heavy in any Plan Year if the aggregate value of the account balances of key Employees hereunder is greater than sixty percent (60%) of the aggregate value of all account balances hereunder. For purposes of determining whether such top-heaviness exists in any such Plan Year the following provisions shall be applicable:

(1) A key Employee is any individual (whether or not deceased) who, at any time during the five (5) Plan Years immediately preceding the current Plan Year, was:

(i) an officer of the Employer or Affiliated Employer having an annual compensation from the Employer and/or Affiliated Employer (as reported on income tax form W-2 or its equivalent) greater than Fifty Percent (50%) of the defined benefit plan dollar limitation in effect under Code Section 415(b)(1)(A) for any such Plan Year (except that no more than fifty (50) Employees or, if less, the greater of three (3) and ten percent (10%) of the Employees, shall be treated as officers), or

(ii) one of the ten (10) Employees having an annual compensation from the Employer and/or Affiliated Employer (as reported on income tax form W-2 or its equivalent) greater than the defined contribution plan dollar limitation in effect under Code Section 415(c)(1)(A) and owning (or considered as owning under Code Section 416(i)(1)) both more than a one-half percent (1/2%) interest and the largest interests in the Employer, or

(iii) a five percent (5%) owner of the Employer (taking into account ownership he would be considered to have under Code Section 416(i)(1)), or

(iv) a one percent (1%) owner of the Employer (taking into account ownership he would be considered to have under Code Section 416(i)(1)) having annual compensation from the Employer and/or an Affiliated Employer during any calendar year (as reported on income tax Form W-2 or its equivalent) of more than One Hundred Fifty Thousand Dollars ($150,000).

The term "compensation" as used above in this paragraph (1) shall have the same meaning as in Code Section 415(c)(3), without regard to Code Sections 125, 402(a)(8), and 402(h)(1)(B), and Code Section 403(b) in the case of contributions made by an Affiliated Employer under a salary reduction agreement. Thus "compensation" includes taxable income reported on form W-2 (or its equivalent) plus salary reduction amounts under said Code Sections.

Any Employee who is not a key Employee is a nonkey Employee.

(2) For purposes of this Section, if a former Employee has not performed any services for the Employer at any time during the five (5) Plan Years immediately preceding the current Plan Year, any account balance remaining hereunder for such former Employee shall not be taken into account. Also, any account balance attributable to deductible employee contributions (under Code Section 219) or attributable to a rollover initiated by an Employee from the plan of an employer that is not an Affiliated Employer shall not be taken into account under this Section.

(3) The value of any account balance shall be determined as of the most recent Valuation Date within the preceding Plan Year, except that in the first Plan Year hereunder such account balance shall be determined as of the most recent Valuation Date within such first Plan Year. Such value shall include any contributions allocable as of such date.

(4) The value of any account balance shall be increased to include any payment thereof made hereunder prior to the Valuation Date as of which such value is being determined, provided any such payment was made within the five (5) Plan Years immediately preceding the current Plan Year. If an account balance has been fully paid out prior to such Valuation Date, but within the five (5) Plan Years immediately preceding the current Plan Year, the amount thereof shall be taken into account, except that such amount shall not be taken into account hereunder if the paid out amount was either (i) rolled over or transferred to another plan of the Employer or Affiliated Employer or (ii) rolled over or transferred to any other plan but not at the direction of the Employee who had accrued such account.

(5) If an Employee or former Employee for whom an account balance was maintained hereunder died prior to such Valuation Date, the value, if any, taken into account hereunder with respect to such individual shall include the sum of any payments made to him prior to such Valuation Date and within the five (5) Plan Years immediately preceding the current Plan Year, together with the amount, as of such Valuation Date, of any remaining account balance payable hereunder to the Beneficiary of such individual plus the sum of any payments made to such Beneficiary hereunder prior to such Valuation Date and within the five (5) Plan Years immediately preceding the current Plan Year.

(6) If an Employee or former Employee (whether or not deceased) with respect to whom an account balance would be taken into account, as described above, was previously a key Employee, but as of the last day of the immediately preceding Plan Year was no longer a key Employee, then no account balance or payments thereof with respect to him or his Beneficiary shall be taken into account in making the top-heavy determinations described in this Section.

(7) The top-heavy status of this Plan, including the identification of key Employees, will be determined as of each Plan Year's determination date, which shall be (i) as to the first Plan Year, the last day of such year and (ii) as to each subsequent Plan Year, the last day of the immediately preceding Plan Year.

b. Aggregation With Other Plans: The aggregation of this Plan with other plans for purposes of determining top-heavy status shall be in accordance with the following:

(1) Required Aggregation: If a key Employee under this Plan also participates in another plan of the Employer or Affiliated Employer which is qualified under Code Section 401(a) or which is a simplified employee pension plan under Code Section 408(k), or if this Plan and another plan must be aggregated so that either this Plan or the other plan will meet the antidiscrimination and coverage requirements of Code Section 401(a)(4) or 410, then this Plan and any such other plan will be aggregated for purposes of determining top heaviness. This Plan will automatically be deemed top-heavy if such required aggregation of plans is top-heavy as a group and will automatically be deemed not top-heavy if such required aggregate of plans is not top-heavy as a group.

(2) Permissive Aggregation: Any other plan of the Employer or Affiliated Employer which is qualified under Code Section 401(a) or which is a simplified employee pension plan under Code Section 408(k), and which is not in the required aggregation referenced in (1) above, may be aggregated with this Plan (and with any other plan(s) in the required aggregation group in (1) above) for purposes of determining top heaviness if such aggregation would continue to meet the antidiscrimination and coverage requirements of Code Sections 401(a)(4) and 410. This Plan will automatically be deemed not top-heavy if such permissive aggregation of plans is not top-heavy as a group.

(3) Determining Aggregate Top-Heavy Status: The top-heavy status of the plans as a group is determined by aggregating the plans' respective top-heavy determinations that are made as of determination dates that fall within the same calendar year.

12.2 Effects Of Top-Heaviness: If this Plan becomes top-heavy, the following special provisions shall apply except (i) in the case of an Employee hereunder who is also covered by another top-heavy qualified defined contribution plan of an Affiliated Employer, the top-heavy minimum allocation in a. below shall not apply if the top-heavy minimum allocation under such other plan is applied to such Employee thereunder, and (ii) in the case of an Employee hereunder who is also covered by a top-heavy qualified defined benefit plan of an Affiliated Employer, the top-heavy minimum allocation in a. below shall not apply if the top-heavy minimum benefit under such other plan is applied to such Employee thereunder, but if such top-heavy minimum benefit is not applied to such Employee, then the top-heavy minimum allocation in a. below shall be applied except that the percentage shall be five percent (5%).

a. Minimum Allocation: If any Employee is covered under this Plan during any Plan Year when the Plan is top-heavy, he shall, during such Plan Year, receive an allocated Employer contribution (subject to the vesting requirements of this Plan and other than an elective contribution under Code Section 401(k)) at least equal to a percentage of his considered compensation (defined below) for such Plan Year, which percentage shall be the lesser of:

(i) three percent (3%), and

(ii) the actual percentage that the allocation of Employer contributions and forfeitures, including elective contributions under Code Section 401(k), received for such Plan Year by the key Employee receiving the largest such allocation, represented as a percentage of such key Employee's considered compensation (defined below).

An Employee's considered compensation is the amount of compensation he received from the Employer for such Plan Year (not in excess of the dollar limitation in Section 2.2(f) hereof) reportable on income tax Form W-2 or its equivalent.

b. Adjustments To Code Section 415 Limits: If this Plan is top-heavy during any Plan Year, the combined plan limitations of Code Section 415, as described in Section 11.1 hereof, shall be applied for such Plan Year by substituting "One Hundred Percent (100%)" for "One Hundred Twenty-Five Percent (125%)" wherever the latter term appears in said Section 11.1 hereof.

ARTICLE XIII

Administration

13.1 Appointment Of Committee: Responsibility for administration of this Plan shall be with the Corporation, which shall be the Plan Administrator hereunder. The Corporation, as Plan Administrator, shall appoint a Committee consisting of at least three (3) persons who shall assist the Plan Administrator in the administration of this Plan, but who shall have no responsibility for the management or investment of Plan assets. All action taken by the Committee shall be deemed actions taken by the Plan Administrator and the Plan Administrator shall, alone, have fiduciary responsibility in connection with such actions, except with respect to willful misconduct or gross negligence. All usual and reasonable expenses of the Committee may be paid in whole or in part by the Plan Administrator, and any expenses not paid by the Plan Administrator shall be paid by the Trustee out of the principal or income of the Trust. The members of the Committee shall not receive compensation with respect to their services for the Committee. The members of the Committee shall serve without bond or security for the performance of their duties hereunder unless the applicable law makes the furnishing of such bond or security mandatory or unless required by the Plan Administrator. The Plan Administrator may pay the premiums on any bond secured under this Section including the purchase of fiduciary liability insurance for any person who becomes a fiduciary under this Plan.

13.2 Committee Powers And Duties: The Committee shall have such powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following powers and duties:

a. to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder;

b. to prescribe rules for the operation of the Plan;

c. to receive from the Employer and from Employees such information as shall be necessary for the proper administration of the Plan;

d. to employ an independent qualified public accountant to examine the books, records, and any financial statements and schedules which are required to be included in the annual report;

e. to file with the appropriate government agency (or agencies) the annual report, plan description, summary plan description, and other pertinent documents which may be duly requested;

f. to file such terminal and supplementary reports as may be necessary in the event of the termination of the Plan;

g. to furnish each Employee and each Beneficiary receiving benefits hereunder a summary plan description explaining the Plan;

h. to furnish any Employee or Beneficiary, who requests in writing, statements indicating such Employee's or Beneficiary's total account balances and nonforfeitable benefits, if any;

i. to furnish to an Employee a statement containing information contained in a registration statement (Schedule SSA) required by Section 6057(a)(2) of the Code prior to the time prescribed by law to file such registration if such statement contains information regarding the Employee;

j. to maintain all records necessary for verification of information required to be filed with the appropriate government agency (or agencies);

k. to report to the Trustee all available information regarding the amount of benefits payable to each Employee, the computations with respect to the allocation of assets, and any other information which the Trustee may require in order to terminate the Plan;

l. to delegate to one or more of the members of the Committee the right to act in its behalf in all matters connected with the administration of the Plan and Trust;

m. to delegate to any individual(s) such of the above powers and duties as the Committee deems appropriate; and

n. to appoint or employ for the Plan any agents it deems advisable, including, but not limited to, legal counsel.

The Committee shall have no power to add to, subtract from or modify any of the terms of the Plan, nor to change or add to any benefits provided by the Plan, nor to waive or fail to apply any requirements of eligibility for benefits under the Plan. All rules and decisions of the Committee shall be uniformly and consistently applied to all Employees in similar circumstances.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. No action shall be taken except upon a majority vote of the Committee members. An individual shall not vote or decide upon any matter relating solely to himself or vote in any case in which his individual right or claim to any benefit under the Plan is particularly involved. If, in any case in which a Committee member is so disqualified to act, and the remaining members cannot agree, the Board of Directors of the Corporation will appoint a temporary substitute member to exercise all the powers of the disqualified member concerning the matter in which he is disqualified.

13.3 Claims Procedure: The Committee may prescribe procedures for obtaining benefits and is required to provide a notice in writing to any person whose claim for benefits under this Plan has been denied, setting forth (1) the specific reasons for such denial, (2) the specific reference to pertinent Plan provisions on which the denial is based, (3) a description of any additional material or information necessary to the claimant to perfect the claim and an explanation of why such material or information is necessary, and (4) an explanation of the Plan's claim review procedure as described below, including the name and address of the party to whom an appeal should be sent.

A claimant has the right to appeal a denial of claim by written application to the Committee within sixty (60) days of notice of denial or, if no such notice has been given, at the end of the expiration of a reasonable period of time after the claim was filed. The claimant, or a duly authorized representative, may review pertinent documents and may submit issues and comments in writing to the Committee.

After the Committee reviews the claims appeal, a final decision shall be made and communicated to the claimant within sixty (60) days of receipt of the appeal by the Committee, unless special circumstances require an extension. Such extension cannot extend beyond one hundred twenty (120) days after receipt of the appeal by the Committee. The communication shall be set forth in writing in a manner calculated to be understood by the claimant and shall identify the reasons for the denial and shall reference any pertinent Plan provisions upon which the denial is based.

13.4 Committee Procedures: The Committee shall adopt such bylaws as it deems desirable. The Committee shall elect one of its members as chairman and shall elect a secretary who may, but need not, be a member of the Committee. The Committee shall advise the Trustee of such elections in writing. The Secretary of the Committee shall keep a record of all meetings and forward all necessary communications to the Trustee.

13.5 Authorization Of Benefit Payments: The Committee shall issue directions to the Trustee concerning all benefits which are to be paid from the Trust Fund pursuant to the provisions of the Plan. The Committee shall keep on file, in such manner, as it may deem convenient or proper, all reports from the Trustee.

13.6 Payment Of Expenses: All expenses incident to the administration, termination or protection of the Plan and Trust, including but not limited to, actuarial, legal, accounting, and Trustee's fees, shall be paid by the Trust unless paid by the Employer and/or the Employees.

13.7 Unclaimed Benefits: Any unclaimed benefit held hereunder for a former Member who cannot be found, after reasonable efforts have been made by the Committee, may be applied to pay plan expenses or to offset any Employer contributions hereunder, provided that if the Member duly makes a subsequent claim for such benefit, the Employer will make a special contribution equal to the amount that was so applied to pay expenses or offset Employer contributions (together with appropriate interest determined by the Committee) and such special contribution will then be paid hereunder to said Member.

13.8 Indemnity: The Employer indemnifies and saves harmless any member of the Board of Directors of the Employer and any Employee of the Employer from and against any and all loss resulting from liability to which any such person may be subjected by reason of any conduct (except willful or reckless misconduct) in a fiduciary capacity under this Plan or Trust, or both, including all expenses reasonably incurred in such person's defense, in case the Employer fails to provide such defense. The indemnification provisions of this Section shall not relieve any such person of any liability he may have under ERISA for breach of a fiduciary duty.

13.9 Investment Committee:

a. Composition of the Investment Committee: The Board of Directors of the Corporation shall appoint an Investment Committee of three to five members.

b. Duties: The Investment Committee is responsible for the following duties under the Plan:

(i) Selecting investment alternatives offered under the Plan, one of which shall be the Raytheon Common Stock Fund. The selection of these investment alternatives shall be made in accordance with section 404(c) of ERISA and with the intent that the Plan operate as a section 404(c) plan. In addition, the Investment Committee shall not select as an investment alternative any investment that would involve a transaction between the Plan and the Corporation or any Affiliated Employer or a loan from the Plan to the Corporation or any Affiliated Employer.

(ii) Selecting a fund for the investment of assets under the Plan with regard to which a Member or Beneficiary has the opportunity to exercise control but for which no investment direction has been provided.

(iii) Receiving investment direction from Members or Beneficiaries. This responsibility may be delegated to another Plan fiduciary by the Investment Committee.

(iv) Establishing the procedures required by section 5.4(b)(6)(d)(vii) of the Plan to keep information related to investment in or exercise of rights associated with the Raytheon Common Stock Fund confidential and ensuring that such procedures are sufficient to preserve the confidentiality of that information.

(v) Establishing a procedure for the appointment of a fiduciary not affiliated with the Corporation in the event that the Investment Committee determines that there exists a situation in which the potential for undue employer influence upon Members or Beneficiaries exists with regard to the direct or indirect exercise of shareholder rights associated with Member or Beneficiary investment in the Raytheon Common Stock Fund.

ARTICLE XIV

Trust Fund

14.1 Establishment Of Trust Fund: A Trust Fund shall be established for the purpose of receiving contributions, and paying benefits, under this Plan. A Trustee (or Trustees) shall be appointed under the terms of a trust agreement to administer the Trust Fund in accordance with the terms of such trust agreement.

14.2 Payment Of Contributions To Trust Fund: All contributions under this Plan shall be paid to the Trust Fund and shall be held, invested and reinvested by the Trustee in accordance with the terms of the trust agreement. All property and funds of the Trust Fund, including income from investments and from all other sources, shall be retained for the exclusive benefit of Employees, as provided in the Plan, and shall be used to pay benefits to Employees or their beneficiaries, or to pay expenses of administration of the Plan and Trust Fund, except as provided in Section 18.4 hereof.

14.3 Bonding Of Trustee: No Trustee shall be required to furnish any bond or security for the performance of its powers and duties hereunder unless the applicable law makes the furnishing of such bond or security mandatory.

ARTICLE XV

Adoption And Withdrawal By Other Organizations

15.1 Procedure For Adoption: Subject to the further provisions of Section 15.3, any corporation or other organization with employees, now in existence or hereafter formed or acquired, which is not already an Employer under this Plan and which is otherwise legally eligible, may, in the future, with the consent and approval of the Corporation, by formal resolution of its own board or governing authority, adopt the Plan hereby created and the related Trust, for all or any classification of persons in its employment, and thereby, from and after the specified effective date become an Employer under this Plan. Such adoption shall be accomplished by and evidenced by a formal designation resolution of the Corporation, and by such formal resolution of the adopting organization consented to by the Corporation. The adoption resolution may contain such specific changes and variations in Plan or Trust terms and provisions applicable to such adopting Employer and its Employees, as may be acceptable to the Corporation and the Trustee. However, the sole, exclusive right of any other amendment of whatever kind or extent, to the Plan or Trust is reserved by the Corporation. The adoption resolution shall become, as to such adopting organization and its employees, a part of this Plan, as then amended or thereafter amended, and the related Trust. It shall not be necessary for the adopting organization to sign or execute the original or the amended Plan and Trust documents. The effective date of the Plan for any such adopting organization shall be that stated in the resolution of adoption, and from and after such effective date such adopting organization shall assume all the rights, obligations and liabilities of an individual Employer entity hereunder and under the Trust. The administrative powers and control of the Corporation, as provided in the Plan and Trust, including the sole right to amendment, and of appointment and removal of the Committee and the Trustee and their successors, shall not be diminished by reason of the participation of any such adopting organization in the Plan and Trust.

15.2 Withdrawal: Any participating Employer by action of its Board of Directors or other governing authority and notice to the Corporation and Trustee, may withdraw from the Plan and Trust at any time without affecting other Employers not withdrawing, by complying with the provisions of the Plan and Trust. A withdrawing Employer may arrange for the continuation by itself or its successor, of this Plan and Trust in separate form for its own Employees, with such amendments, if any, as it may deem proper, and may arrange for continuation of the Plan and Trust by merger with an existing plan and trust, and transfer of Trust assets. The Corporation may, in its absolute discretion, terminate an adopting Employer's participation at any time when in its judgment such adopting Employer fails or refuses to discharge its obligations under the Plan.

15.3 Adoption Contingent Upon Initial And Continued Qualification: The adoption of this Plan and its related Trust by an organization as provided in Section 15.1 is hereby made contingent and subject to the condition precedent that said adopting organization meets all the statutory requirements for qualified plans, including but not limited to Sections 401(a) and 501(a) of the Code for its employees. The adopting organization shall request an initial approval letter of determination from the appropriate District Director of Internal Revenue Service to the effect that the Plan and Trust herein set forth or as amended before the receipt of such letter, meets the requirements of the applicable federal statutes for tax qualification purposes for such adopting organization and its covered employees. Unless such an initial approval letter is issued, such adoption shall become void and inoperative and any contribution made by or for such organization shall be promptly refunded by the Trustee. Furthermore, if the Plan or the Trust in its operation, becomes disqualified for such purposes for any reason, as to such adopting organization and its employees, the portion of the Trust Fund allocable to them shall be segregated as soon as is administratively feasible, pending either the prompt (1) requalification of the Plan and Trust as to such organization and its employees to the satisfaction of the Internal Revenue Service, so as not to affect the continued qualified status thereof as to other Employers, or (2) withdrawal of such organization from this Plan and Trust and a continuation by itself or its successor, of its plan and trust separately from this Plan and Trust, or by merger with another existing plan and trust, with a transfer of said segregated portion of Trust assets, as provided by Section 15.2, or (3) taking of such other action as shall be acceptable to the Corporation.

ARTICLE XVI

Amendments

16.1 Right To Amend: The Board of Directors of the Corporation (or other body duly authorized by such Board) reserves the right to make from time to time any amendment or amendments to this Plan which do not permit reversion of any part of the Trust Fund to the Employers except as provided in Section 18.4 and which do not cause any part of the Trust Fund to be used for, or diverted to, any purpose other than the exclusive benefit of Employees included in this Plan and which do not, directly or indirectly, reduce any Member's account balance unless such amendment is required in order to maintain the Plan's qualified status under Code Section 401(a). Any one of the Corporation's three selected Vice Presidents (the selected Vice Presidents are: (i) Vice President, Corporate Relations and Administration, (ii) Vice President, Finance and Chief Financial Officer, and (iii) Vice President, Secretary and General Counsel) is also authorized to make, on behalf of the Corporation, any amendment or amendments to this Plan (or related Trust), provided any such amendment is for the purpose of: (i) meeting applicable requirements for compliance with the Code or ERISA or other applicable law where there are either no options as to the method of compliance or where the costs associated with each of two or more alternative methods of compliance are generally the same or not significant in amount as to the selected method of compliance or (ii) simplifying, improving or clarifying practices or procedures under the Plan or Trust, without significantly increasing Employer costs.

Upon delivery to an Employer of an executed copy of an amendment properly authorized and adopted by the Corporation, the Plan as to such Employer shall be thereupon amended in accordance therewith.

ARTICLE XVII

Withdrawal And Termination

17.1 Employer Withdrawal: An Employer may at any time, by adoption of a resolution, withdraw from the Plan with respect to any or all of the Employees employed by said Employer.

Upon an Employer's liquidation, bankruptcy, insolvency, sale, consolidation, or merger to or with another organization which is not an Employer hereunder, or upon an adjudication or other official determination of a court of competent jurisdiction or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed for the purpose of operation or liquidation of an Employer, such Employer (or its successor) will automatically be withdrawn from this Plan with respect to all of its Employees, unless the Corporation and such Employer (or its successor) agree to its continued participation hereunder.

Any such withdrawal of an Employer from this Plan will be carried out in a manner intended to meet the requirements of Section 401(a) of the Internal Revenue Code. The Corporation may require that an advance determination letter be obtained from the Internal Revenue Service approving the terms of any such withdrawal.

Upon the consolidation or merger of two (2) or more of the Employers under this Plan with each other, no such withdrawal will occur, but the surviving Employer or organization shall succeed to all the rights and duties under the plan and trust of the Employers involved.

17.2 Transfers Of Plan Assets And Plan Mergers: The Plan and Trust shall not be merged or consolidated with, nor shall any Plan assets or liabilities be transferred to, any other plan, unless either (i) each Participant in the Plan (if the Plan then terminated) receives a benefit immediately after such merger, consolidation, or transfer, which is equal to or greater than the benefit he would have been entitled to receive immediately before such merger, consolidation, or transfer (if the Plan had then terminated) or (ii) the conditions in (i) are deemed to be met due to compliance with the procedures set forth in Treasury Regulation 1.414(1)-1 regarding plan mergers and transfers.

17.3 Plan Termination: The Corporation may at any time, by adoption of a resolution, terminate this Plan with respect to itself and all other Employers hereunder. This Plan shall automatically terminate if all Employers cease to exist and no successor continues the Plan.

A partial termination of this Plan will occur if required under the qualification requirements of Section 401(a) of the Code.

17.4 Suspension And Discontinuance Of Contributions And Plan Termination: If the Employer decides it is impossible or inadvisable to continue to make its contributions hereunder, it shall have the power to:

(a) suspend contributions to the Plan; or

(b) discontinue contributions to the Plan; or

(c) terminate the Plan as to its Employees.

Suspension shall be temporary cessation of contributions and such a suspension which has not ripened into a complete and permanent discontinuance shall not require any vesting of Individual Accounts.

In the event of a discontinuance of contributions, Employees who become eligible to enter the Plan subsequent to the discontinuance shall receive no benefit, and no additional benefits attributable to Employer contributions shall accrue to any of the Members unless contributions are resumed. After the date of discontinuance of contributions, the Trust shall remain in existence as provided in this Section, and the provisions of the Plan and Trust shall remain in force as may be necessary in the sole opinion of the Committee. A certified copy of such decision or resolution shall be delivered to the Trustee, and as soon as possible thereafter, the Trustee shall send or deliver to each Member or Beneficiary concerned a copy thereof.

17.5 Liquidation Of Trust Fund: Upon termination, or partial termination, of the Plan, the proportionate interests of the affected Members and their Beneficiaries shall be liquidated after provision is made for the expenses of administration, termination and liquidation, except that a Member's Employer Stock may not be liquidated without the Member's consent unless required to pay Plan expenses. Thereafter, the Trustee shall distribute as soon as administratively feasible the amount to the credit of each such Member and Beneficiary as the Committee shall direct. All such distributions under this Section will be subject to the restrictions in 11.4 and 11.7 hereof.

ARTICLE XVIII

General Provisions

18.1 Nonguarantee Of Employment: Nothing contained in this Plan shall be construed as a contract of employment between an Employer and Employee, or as a right of any Employee to be continued in the employment of an Employer, or as a limitation of the right of an Employer to discharge any of its Employees, with or without cause.

18.2 Manner Of Payment: Wherever and whenever it is herein provided for payments or distributions to be made, whether in money or otherwise, said payments or distributions shall be made directly into the hands of the Member, his Beneficiary, his administrator, executor or guardian, as the case may be. Deposit for the benefit of a Member in any account selected by a Member or Beneficiary hereunder shall be deemed payment into his hands, and provided further, that in the event any person otherwise entitled to receive any payment or distribution shall be a minor or an incompetent, such payment or distribution may be made to his guardian or other person as may be determined by the Committee.

18.3 Nonalienation Of Benefits: Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, prior to being received by the person entitled to the benefit under the terms of the Plan. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder shall be void. The Trust Fund shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any person entitled to benefits hereunder. None of the unpaid Plan benefits or Trust assets shall be considered an asset of the Member in the event of his insolvency or bankruptcy.

Notwithstanding the foregoing, the Committee may approve payment to an alternate payee based upon any "qualified domestic relations order" as defined in Code Section 414(p), and a Member may pledge his account, to the extent allowed under Section 10.2 hereof, as security for a loan made to such Member in accordance with Section 10.2 hereof and such payment or pledge shall not be deemed a prohibited alienation of benefits.

18.4 Amounts Returnable To An Employer: In no event shall an Employer receive any amounts from the Trust, except such amounts, if any, as set forth below:

a. In the event of a contribution made by an Employer by a mistake of fact, such contribution may be returned to such Employer within one year after payment thereof.

b. If an Employer's determination letter issued by the District Director of Internal Revenue referred to in Section 15.3 hereof is an initial determination letter as to such Employer and is to the effect that the Plan and Trust herein set forth or as amended prior to the receipt of such letter do not meet the requirements of Sections 401(a) and 501(a) of the Code, such Employer shall be entitled at its option to withdraw, within one year of the receipt of such letter, all contributions made on and after its effective date, in which event the Plan and Trust shall then terminate as to such Employer and all rights of the Employees shall be those as if the Plan had never been adopted.

c. Each contribution hereunder is conditioned upon the deductibility of such contribution under Section 404 of the Code and shall be returned to an Employer within one year if such deduction is disallowed (to the extent of the disallowance).

18.5 Governing Law: This Plan and each of its provisions shall be construed and their validity determined by the application of the laws of the State of Texas, except to the extent such law is preempted by Federal statute.

ARTICLE XIX

Fiduciary Provisions

19.1 General Allocation Of Duties: Each fiduciary with respect to the Plan shall have only those specific powers, duties, responsibilities and obligations as are specifically given him under the Plan. The Board of Directors of the Corporation shall have the sole responsibility for authorizing Employer contributions under the Plan and for terminating the Plan and it shall have the sole authority to appoint and remove the Trustee or members of the Committee. However, said Board shall not be liable for any acts or omissions of the Trustee or be under any obligation to invest or otherwise manage any assets of the Trust Fund which are subject to the management of the Trustee unless it knows that said Trustee has committed a breach of the obligations and duties set forth in ERISA.

Except as otherwise specifically provided, the Committee shall have the sole responsibility for the administration of the Plan, which responsibility is specifically described herein. Except as otherwise specifically provided, the Trustee shall have the sole responsibility for the management of the assets held under the Plan. Members shall be responsible for giving investment direction in accordance with Section 5.4, except to the extent provided in said Section 5.4 that an investment committee is responsible for the investment direction for Members not making their own investment selections.

It is intended under the Plan that each fiduciary shall be responsible for the proper exercise of his own powers, duties, responsibilities and obligations hereunder and shall not be responsible for any act or failure to act of another fiduciary, except to the extent provided by law or as specifically provided herein.

19.2 Fiduciary Duty: Each fiduciary under the Plan, shall discharge his duties and responsibilities with respect to the Plan:

a. solely in the interest of the Plan participants, for the exclusive purpose of providing benefits to such participants, and their beneficiaries, and defraying reasonable expenses of administering the Plan;

b. with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of

a like character and with like aims;

c. the investment committee under Section 13.9 shall diversify the investments of the Plan not subject to the investment direction of Members so as to minimize the risk of large losses, unless under the circumstances it is prudent not to do so; and

d. in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with applicable law.

19.3 Fiduciary Liability: A fiduciary shall not be liable in any way for any acts or omissions constituting a breach of fiduciary responsibility occurring prior to the date he becomes a fiduciary or after the date he ceases to be a fiduciary.

19.4 Co-Fiduciary Liability: A fiduciary shall not be liable for any breach of fiduciary responsibility by another fiduciary unless:

a. he participates knowingly in, or knowingly undertakes to conceal, an act or omission or such other fiduciary, knowing such act or omission is a breach;

b. by his failure to comply with Section 404(a)(1) of ERISA in the administration of his specific responsibilities which give rise to his

status as a fiduciary, he has enabled such other fiduciary to commit a breach; or

c. having knowledge of a breach by such other fiduciary, he fails to make reasonable efforts under the circumstances to remedy the breach.

19.5 Delegation and Allocation: Any fiduciary may appoint individuals or any other agents as it deems advisable and delegate to any of such appointees any or all of the powers and duties of the fiduciary to the extent allowed under ERISA. Such appointment and delegation must clearly specify the powers or duties delegated. Upon such appointment and delegation, the delegating fiduciary shall have no liability for the acts or omissions of any such delegate, as long as the delegating fiduciary does not violate its fiduciary responsibility in making or continuing such delegation.

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising E-Systems, Inc. Employee Savings Plan (As Restated January 1, 1995), E-SYSTEMS, INC., the Corporation, has caused its corporate seal to be affixed hereto and these presents to be duly executed in its name and behalf by its proper officers thereunto authorized this day of , 19 .

ATTEST: E-SYSTEMS, INC.

By

Secretary

Title:

(CORPORATE SEAL)

Participation Exhibit

E-Systems, Inc. Employee Savings Plan

(As Restated January 1, 1995)

This Exhibit sets forth below: (i) the specific subsidiaries, affiliates, divisions, subdivisions, branches or units for which this Plan (or portion thereof) is maintained, (ii) any employment position entered into in connection with a business acquisition on or after January 1, 1995, and any employment position created in connection with such a business acquisition which is to be covered by this Plan (or portion thereof), (iii) the pre-acquisition service that was counted as Vesting Service under the Previous Plan prior to January 1, 1995, (iv) the various separately identifiable portions of this Plan, and (v) prior plans merged into this Plan.

Divisions, Subsidiaries, Branches, Units,and Affiliates	Portions of Plan (as defined in IV below) For Which Eligible			
E-Systems Corporate Division	ED	ME	RD	
Greenville Division				
Noncollective Bargaining Employees	ED	ME	RD	
Collective Bargaining Employees	ED(1)	ME(1)	RD	EC(2)
Garland Division				
Noncollective Bargaining Employees	ED	ME	RD	
not covered by the Global Command and Control Systems (GCCS) contract				
Noncollective Bargaining Employees covered by the Global Command and Control Systems (GCCS) contract, effective as soon as practicable after acceptance of contract	ED	ME		
Collective Bargaining Employees - UAW	ED	ME(3)	RD	
Collective Bargaining Employees - UPGWA	ED	ME(4)	RD	
Raytheon Aircraft Montek Company(Montek Division prior to July 1, 1996)	ED	ME	RD	
ECI Division				
Noncollective Bargaining Employees	ED	ME	RD	
Collective Bargaining Employees	ED	ME(5)	RD	

Melpar Division through September 10, 1995, and thereafter the Falls Church Division, excluding employees from Engineering Research Associates, Inc. until January 1, 1996 or date of transfer if later	ED	ME	RD	
HRB Systems, Inc.	ED	ME	RD	
E-Systems Medical Electronics, Inc.	ED	ME		OD
EMASS, Inc.	ED	ME(6)		
Transportation Management Solutions,Inc.	ED	ME	RD	OD
Auto-Trac, Inc. (All employees transferred to Transportation Management Solutions, Inc. during 1996)	ED	ME	RD	OD

Serv-Air, Inc., but only as a ED ME RD salaried Employee who transferred to Serv-Air, Inc. from a position covered by this Plan (or Previous Plan) or who is employed at (i) Serv-Air, Inc.'s general office location at Greenville, Texas; or (ii) any field location where Serv-Air, Inc.'s annual program value is Two Million Dollars ($2,000,000) or more and who is employed in the top management position at that location or salary grade 29 or above (and for this purpose, any Employee in Covered Employment at such a field location will not cease Covered Employment at that location merely because the annual program value under a contract is renewed at a level below Two Million Dollars ($2,000,000)); or (iii) any Serv-Air, Inc. Information Systems Group field location on or after March 8, 1996.

Raytheon Aerospace, but only as to Employees who were Members in Covered Employment with Serv-Air, Inc. under this Plan on December 29, 1995 whose employment was transferred from Serv-Air, Inc. to Raytheon Aerospace on or after December 30, 1995.	ED	ME	RD
Advanced Power Technologies, Inc., effective January 1, 1996	ED	ME	RD
Central Texas Airborne Systems, Inc. (CTAS) effective as soon as administratively practicable after June 14, 1996	ED	ME	

Electrospace Systems, Inc. (ESI)

Employees not covered by a contract ED ME RD under the Service Contract Act, effective as soon as administratively practicable after June 14, 1996 as to ED and ME and January 1, 1997 as to RD

Employees covered by a contract under the Service Contract Act, effective October 1, 1996	ED	OD

(1) Effective September 25, 1995 (2) Prior to September 25, 1995 (3) Effective April 8, 1996 (4) Effective March 25, 1996 (5) Effective April 15, 1996

(6) Effective as soon as practicable after August 5, 1996

No employees covered by a collective bargaining agreement entered into after the Effective Date will be eligible for any portion of this Plan unless the Employer and the collective bargaining unit have agreed to provide covered hereunder, in which case said employees will be eligible for such coverage and this exhibit will be modified to reflect such coverage.

Employment positions with any of the above entities entered into or created in connection with any business acquisitions on or after January 1, 1995 will be covered by this Plan (or portion thereof) only if so provided in II below.

In order to allow participation as soon as practicable of any Employee of an acquired business who enters Covered Employment as a result of such business acquisition, the Committee may temporarily determine contributions for any such new Member hereunder on any reasonable and consistent basis (taking into consideration such payroll information as is then reasonably available) until such time as the Committee is able to obtain the exact payroll information necessary for determining contributions in accordance with the contribution provisions of this Plan.

The one-loan-only restriction in Section 8.2c of this Plan will not apply to any loans that are part of a Participant's rollover to the Rollover Account under this Plan in connection with the acquisition of CTAS and ESI referenced in the above table. The one-loan-only restriction will apply to any new loan requests originated by such a Participant under this Plan, disregarding any loans rolled over.

II. Employment Positions With Any Entities Listed in I. Above Entered Into or Created In

Connection With the Following Business Acquisitions On or After January 1, 1995:	Portions of Plan (as defined in IV below) For Which Eligible:
None as of January 1, 1995.	

III. Business Acquisitions with Respect to which Pre-Acquisition Service was Counted as Vesting Service under Previous Plan Prior to January 1, 1995:

Acquisition of Engineering Research Associates, Inc., in 1989
Acquisition of HRB Systems, Inc. in 1990
Acquisition of business (which became part of Transportation

Management Solutions, Inc.) from Westinghouse Electric Corporation in 1994
Acquisition of Fluid Controls Division (which became part of Montek

Division) from BW/IP International, Inc. in 1994
Acquisition of Auto-Trac, Inc. in 1994

Acquisition of Advanced Archival Products, Inc. (which became part of EMASS, Inc. in 1994)

Acquisition of APTI, Inc. in 1994

Acquisition of Image Data (which became part of E-Systems Medical Electronics, Inc.) in 1994

Acquisition of Advanced Video Products, Inc. in 1992 (employees became employed by E-Systems Medical

Electronics, Inc. in 1995)

IV. Portions of Plan are as follows:

ED means Employee Deferrals on pre-tax basis ME means Matching Employer Contributions RD means Regular Discretionary Employer Contributions OD means Optional Discretionary Employer Contributions EC means Employee Contributions on after-tax basis

V. Prior Plans Merged into this Plan:

Advanced Video Products, Inc. 401(k) Plan, merged in 1995
Advanced Archival Products Profit Sharing Plan, merged in 1995

EXHIBIT 4.8

RAYTHEON TI SYSTEMS SAVINGS PLAN
Provisions in Effect as of July 11, 1997

RAYTHEON TI SYSTEMS, INC., a corporation with its principal office in Lexington, Massachusetts , hereinafter sometimes referred to as "RTIS," does hereby establish and adopt the Raytheon TI Systems Savings Plan.

In accordance with the foregoing and pursuant to resolutions adopted by the Board of Directors of the Employer, the Employer hereby adopts the following Raytheon TI Systems Savings Plan, effective July 8, 1997, subject to the approval of the Internal Revenue Service.

ARTICLE I - NAME OF PLAN

1.1 Name of Plan. This plan shall be known as the RAYTHEON TI SYSTEMS SAVINGS PLAN, hereinafter referred to as the "Plan."

ARTICLE II - DEFINITIONS

Where used in this Plan, unless the context otherwise requires, or unless otherwise expressly provided herein, the following terms shall have the meaning described in this Article II. Where the context admits, the masculine shall include the feminine and the singular shall include the plural, and vice versa.

2.1 Affiliated Company. Any corporation which is a member of a controlled group of corporations with RTIS (within the meaning of section 414(b) of the Code) or any partnership, joint venture or other business organization (whether or not incorporated) which is under common control or is affiliated with RTIS (within the meaning of section 414(c) of the Code), or any member of an affiliated service group (within the meaning of section 414(m) of the Code) of which RTIS is a member, provided that in Sections 4.6(b) and 4.6(f) hereof the term "Affiliated Company" shall be defined by substituting the phrase "more than 50 percent" for the phrase "at least 80 percent" wherever such phrase appears in section 414(b) or (c) of the Code and the regulations thereunder.

2.2 Allocated Stock. Shares of Raytheon Stock held by the Trustee under the Trust that are attributable to that portion of a Participant's Cash or Deferred Account invested in the Raytheon Stock Fund.

2.3 Alternate Payee. Any spouse, former spouse, child, or other dependent of a Participant who has provided the Plan with his or her social security number and who is recognized under a Qualified Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

2.4 Annual Additions. The sum of the following amounts allocated to a Participant's accounts in all defined contribution plans maintained by an Employer:

(a) Employer contributions;

(b) Forfeitures;

(c) Employee contributions;

(d) Amounts allocated to an individual medical account as defined in section 415(l)(2) of the Code, which is part of a pension or annuity plan maintained by the Employer; and

(e) Amounts derived from contributions which are attributable to post-retirement medical benefits allocated to the separate account of a Key Employee under a welfare benefit plan (as defined in section 419(e) of the Code) maintained by the Employer. The percentage limitation referred to below shall not apply to (1) any contribution for medical benefits within the meaning of section 4129A(f)(2) of the Code after separation from service which is otherwise treated as an "annual addition" or (2) any amount otherwise treated as an annual addition under section 415(l)(1) of the Code.

2.5 Balanced Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the Balanced Fund shall be invested primarily in a combination of common stocks and government and corporate bonds, including, without limitation, index funds and mutual funds.

2.6 Beneficiary.

(a) The spouse of the Participant who is married to the Participant at the time of the Participant's death, or any person or persons named by a Participant who is not married as his or her Beneficiary, co.Beneficiary, or contingent Beneficiary. A married Participant shall be entitled to designate one or more Beneficiaries or contingent Beneficiaries other than the Participant's spouse to receive any amount payable by the Trust in the event of his or her death and from time to time to change such designation. Such designation shall not take effect unless:

(1) the spouse of the Participant consents in writing to such designation and the spouse's consent acknowledges the effect of such designation and is witnessed by a Plan representative or a notary public, or

(2) the Participant establishes to the satisfaction of a Plan representative that such spouse's consent may not be obtained because there is no spouse or because the spouse cannot be located.

(b) Any consent by a spouse (or the establishment that a consent of a spouse may not be obtained) shall be effective only with respect to that spouse and any such consent by a spouse may be revoked by such spouse by filing prior to the Termination of Employment of the Participant a revocation in such form and manner as the Committee shall specify. The Plan representatives may rely on the representations by the Participant as to whether the Participant has no spouse or the spouse cannot be located and shall have no liability for such reliance except as required by Part 4 of Title I of ERISA. All beneficiary designations shall be made in accordance with such rules and regulations as the Committee shall prescribe.

(c) Unless otherwise designated by the Participant in accordance with this section, a Participantis Beneficiary shall be the same person or persons that such Participant designated as a beneficiary under the TI Employees Universal Profit Sharing Plan, as such classification existed immediately before the adoption of the Plan.

(d) A person who is an Alternate Payee under a Qualified Domestic Relations Order shall be considered a Beneficiary for purposes of this Plan.

2.7 Board of Directors. The Board of Directors of RTIS unless specifically stated otherwise.

2.8 Bond Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the Bond Fund shall be invested primarily in U.S government and corporate bonds including, without limitation, index funds and mutual funds.

2.9 Break in Credited Service. A 12 consecutive month period commencing on an Employee's Date of Employment or any anniversary of such date during which the Employee has no Hours of Service.

2.10 Cash or Deferred Account. The account of a Participant in which is recorded the Participant's interest in the Trust Fund attributable to:

(a) Employer CODA Contributions and Employer Matched Savings Contributions;

(b) Participant Rollover Contributions; and

(c) amounts transferred to the Participant's Cash or Deferred Account pursuant to the provisions of Section 5.3 hereof.

2.11 Child Birth or Adoption Absence. Absence from work (which is not a Leave of Absence) by reason of pregnancy of the Employee, the birth of a child of the Employee, the placement of a child with the Employee in connection with the adoption of such child by the Employee, or for purposes of caring for such child for a period beginning immediately following such birth or placement.

2.12 Code. The Internal Revenue Code of 1986, as amended from time to time.

2.13 Committee. The RTIS Employee Benefits Administration Committee.

2.14 Compensation.

(a) The total earnings not in excess of $150,000 as adjusted from time to time by the Secretary of the Treasury or his or her delegate for increases in the cost-of-living pursuant to the provisions of section 415(d) of the Code, paid by an Employer to an Employee during the year that are not excluded below.

(b) Subject to the limitations contained in this definition, Compensation shall mean pay received by an Employee including but not limited to:

(1) base pay

(2) overtime premiums;

(3) sales bonuses;

(4) performance premiums;

(5) earnings which an Employee elects to have the Employer contribute under the Cash or Deferred Account or contribute to payment of Employee insurance premiums;

(6) premiums paid in addition to base salary to compensate for assignments involving hazardous duty, hardship, inconvenience, or other unusual job factors not excluded below;

(7) earnings paid by a foreign or domestic subsidiary to a United States citizen treated as an Employee of RTIS as provided in Section 2.29 hereof;

(8) payments for hours during which no duties are performed and for which an Employee is paid or entitled to payment to the extent such hours are credited pursuant to Section 2.36 below, and

(9) earnings which an Employee elects to have the Employer contribute as compensation reductions pursuant to the Raytheon TI Systems Employees Health Benefit Plan; and

(c) The following items shall be excluded from Compensation:

(1) travel expenses;

(2) resettlement allowances and amounts paid to reimburse the Employee for expenses incurred as a result of a change in location of job assignment, such as moving and other transfer expenses;

(3) other payments of or reimbursements for expenses incurred by the Employee on behalf of the Employer;

(4) differentials paid in addition to base salary to compensate for differences in living costs;

(5) income realized by an Employee from the exercise of an Employee stock option, whether restricted, qualified, incentive or nonqualified, or from disposition of Raytheon Stock acquired upon exercise of an option;

(6) all payments in cash or property that constitute perquisites or Employee benefits that are not specifically based on services rendered but solely on status as an employee;

(7) the market value of catalog points awarded and perfect attendance awards; and

(8) separation pay, severance pay, and similar payments made as a result of, or in anticipation of, a Termination of Employment.

(d) If an Employee is terminated and subsequently reemployed in the same year, all Compensation in that year shall be included, and when determining the Employer Matched Savings Contributions in accordance with the provisions of Section 4.2, Compensation shall include only Compensation received by the Participant after the date the Participant first became eligible for such Employer contributions.

2.15 Computation Period. The 12 consecutive month period beginning with an Employee's Date of Employment or any anniversary thereof.

2.16 Date of Employment. The date a person first becomes an Employee, except that in the case of (i) an Employee who has incurred a Break in Credited Service prior to becoming a Participant in a Plan Account and (ii) an Employee who has incurred five consecutive Breaks in Credited Service after becoming a Participant in a Plan Account, the most recent date upon which such Employee again became an Employee after the Break or Breaks in Credited Service shall be that Participant's Date of Employment.

2.17 Deferred Compensation Agreement. An agreement in such form as the Committee shall prescribe which a Participant enters into whereby the Participant:

(a) assents to the terms and conditions of this Plan;

(b) agrees to accept the same and be bound thereby on behalf of himself or herself, his or her Beneficiaries and his or her personal representatives; anthat such agreement shall survive any revocation or amendment and remain in full force and effect so long as the Participant is a Participant in this Plan, and

(c) elects to have his or her Employer make Employer CODA Contributions in lieu of cash payment to the Participant subject to such terms and conditions and limitations, as may be prescribed from time to time by the Committee.

2.18 Defined Benefit Fraction. A fraction, the numerator of which is the projected retirement benefit of the Participant under all defined benefit plans maintained by an Employer, Subsidiary, or Affiliated Company which are qualified under section 401(a) of the Code (determined as of the close of the year), and the denominator of which is the lesser of (i) the product of 1.25 multiplied by the dollar limitation in effect for such year under subsection 415(b)(1)(A) of the Code, or (ii) the product of 1.4 multiplied by the amount which may be taken into account under subsection 415(b)(1)(B) of the Code with respect to such Participant for such year.

2.19 Defined Contribution Fraction. A fraction, the numerator of which is the sum of all of the Participant's Annual Additions for the year and all prior years of service with an Employer, Subsidiary, or Affiliated Company, and the denominator of which is the sum of the lesser of the following amounts determined for such year and each prior year of service with an Employer, Subsidiary, or Affiliated Company: (i) the product of 1.25 multiplied by the amount specified in Section 4.5.1(b)(1) hereof in effect for such year, or (ii) the product of 1.4 multiplied by the amount specified in Section 4.5.1(b)(2) hereof in effect for such year.

2.20 Depository Fund. That portion of the Trust Fund attributable to Employer CODA Contributions and Employer Matched Savings Contributions, other than the assets invested in the Participant Investment Funds, and earnings and increases thereon. Employer CODA Contributions and Employer Matched Savings Contributions and earnings thereon shall be invested in the Depository Fund until invested in the Participant Investment Funds by the Trustee in accordance with Section 4.9 hereof. Assets in the Depository Fund shall be invested for short term purposes in bonds, notes and other evidences of indebtedness having a maturity date not beyond one year from the date of purchase, United States Treasury bills, commercial paper, bankers' acceptances and certificates of deposit, and undivided interests or participation therein and (if subject to withdrawal on a daily basis) participation in common or collective funds composed thereof.

2.21. Determination Date. The last day of the preceding Plan Year.

2.22 Determination Year. The Plan Year for which testing is being performed pursuant to Article IV hereof.

2.23 Direct Rollover. A payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

2.24 Distributee. A Participant, the surviving spouse of a Participant, or the former spouse of a Participant who is an Alternate Payee under a Qualified Domestic Relations Order.

2.25 Domestic Relations Order. Any judgment, decree, or order (including approval of a property settlement agreement) of any court of competent jurisdiction which relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant, and is made pursuant to a state domestic relations law (including a community property law).

2.26 Earliest Retirement Age. The earliest of (i) the date on which the Participant is entitled to a distribution under Article VII, or (ii) the later of (1) the date the Participant attains age 50, or (2) the earliest date on which the Participant could begin receiving benefits under the Plan following a Termination of Employment.

2.27 Eligible Retirement Plan.

(a) Any of the following that accepts the Distributee's Eligible Rollover Distribution:

(1) an individual retirement account described in section 408(a) of the Code;

(2) an individual retirement annuity described in section 408(b) of the Code;

(3) an annuity plan described in section 403(a) of the Code; or

(4) a qualified trust described in section 401(a) of the Code.

(b) In the case of an Eligible Rollover Distribution to the surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.

2.28 Eligible Rollover Distribution. Any distribution of all or any portion of the balance to the credit of the Distributee, except that an eligible rollover distribution does not include:

(a) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Beneficiary, or for a specified period of ten years or more;

(b) any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and

(c) the portion of any distribution that is not included in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to Employer securities.)

2.29 Employee.

(a) Any Employee of any Employer, whether full-or part-time, but shall exclude:

(1) all employees who do not reside within and at the same time are not citizens of the United States, unless otherwise agreed upon under special agreements providing for participation in this Plan;

(2) all persons engaged for assignments for whatever period under special agreements providing for exclusion from participation in this Plan;

(3) leased employees within the meaning of sections 414(n)(2) and 414(o)(2) of the Code; and

(4) all persons who are listed on the Employer's records as an individual contractor or an Employee of another company, even if that person is subsequently determined to be a common-law employee.

(b) Notwithstanding any provisions of this Plan to the contrary, a United States citizen who is an employee, whether full or part-time, either of a foreign subsidiary as such term is defined in section 406(a) of the Code to which an agreement entered into by RTIS under section 3121(1) of the Code is applicable, or of a domestic subsidiary, as such term is defined in section 407(a) of the Code, shall be treated as an Employee of RTIS for all purposes of this Plan if no contribution under a funded plan of deferred compensation is provided by any person other than RTIS with respect to the remuneration paid to such United States citizen by such foreign or domestic subsidiary which is his or her Employer.

2.30 Employer. Raytheon TI Systems and any other corporation which may become a party to this Plan.

2.31 Employer CODA Contributions. Employer contributions to the Cash or Deferred Accounts of Participants in accordance with the provisions of Section 4.1 hereof.

2.32 Employer Matched Savings Contributions. Employer contributions to the Cash or Deferred Accounts of Participants in accordance with the provisions of Section 4.2 hereof.

2.33 Equity Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the Equity Fund shall be invested primarily in equity securities or other investments including, without limitation, index funds and mutual funds.

2.34 ERISA. Public Law No. 93-406, the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.35 415 Compensation.

(a) (1) A Participant's wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer to the extent that the amounts are includable in gross income (including but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits and reimbursements or other expense allowances under a nonaccountable plan (as described in section 1.62.2(c) of the regulations under section 62 of the Code);

(2) amounts received through accident or health insurance for death, personal injuries or sickness (other than amounts received by an Employee, to the extent such amounts (1) are attributable to contributions by the Employer which were not includable in the gross income of the Employee, or (2) are paid by the Employer; provided that amounts received under an accident or health plan for Employees and amounts received from a sickness and disability fund for Employees maintained under the law of a state or the District of Columbia shall be treated as amounts received through accident or health insurance and amounts paid to highly compensated individuals under a discriminatory self-insured medical expense reimbursement plan (as such term is defined in section 105(h) of the Code) shall be considered Compensation, but only to the extent that these amounts are includable in the gross income of the Employee;

(3) moving expenses incurred by the Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under section 217 of the Code;

(4) the value of a non-qualified stock option granted to an Employee, but only to the extent that the value of the option is includable in the gross income of the Employee for the taxable year in which granted; and

(5) the amount includable in the gross income of an Employee upon making the election described in section 83(b) of the Code.

(b) 415 Compensation shall not include any other forms of remuneration, including but not limited to:

(1) contributions made by the Employer to a plan of deferred compensation to the extent that before the application of the limitations contained in section 415 of the Code to that plan, the contributions are not includable in the gross income of the Employee for the taxable year in which contributed, provided that any distributions from a plan of deferred compensation are not considered Compensation regardless of whether such amounts are includable in the gross income of the Employee when distributed, and provided further that any amounts received by an Employee pursuant to an unfunded non-qualified plan are permitted to be considered as Compensation for the year in which the amounts are includable in the gross income of the Employee;

(2) amounts realized from the exercise of a non-qualified stock option or when restricted stock or property held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(3) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option;

(4) other amounts which receive special tax benefits such as premiums for group-term life insurance (but only to the extent that the premiums are not includable in the gross income of the Employee), or contributions made by an Employer towards the purchase of an annuity contract described in section 403(b) of the Code (whether or not made under a salary reduction agreement and whether or not the contributions are excludable from the gross income of the Employee.

(c) In the case of (1) an Employee of two or more corporations which are members of a controlled group of corporations or of two or more trades or businesses (whether or not incorporated) that are under common control (as those terms are defined in section 414(b) of the Code as modified by section 415(h) of the Code), or two or more members of an affiliated service group as defined in section 414(m) of the Code; and (2) an Employee of two or more members of any group of Employers who must be aggregated and treated as one Employer pursuant to section 414(o) of the Code, the term "415 Compensation" for such Employee includes compensation from all Employers that are members of the group, regardless of whether the Employee's particular Employer has a qualified plan.

2.36 Growth Stock Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the Growth Stock Fund shall be invested primarily in stocks of companies whose earnings are growing faster than average with an emphasis on long-term price appreciation, including, without limitation, index funds and mutual funds.

2.37 Highly Compensated Employee.

(a) Any Employee who:

(1) is a five percent owner at any time during the Plan Year or the preceding Plan Year; or

(2) for the preceding Plan Year:

(i) received Compensation in excess of the amount specified in section 414(q)(1)(B)(i) of the Code; and

(ii) if the Employer so elects, in accordance with section 414(1)(1)(B)(ii) of the Code, was a member of the Top-Paid Group for such preceding Plan Year.

(b) Former Employees will be treated as Highly Compensated Employees if the former Employee was a Highly Compensated Employee at the time of his or her separation from service or the former Employee was a Highly Compensated Employee at any time after attaining age 55.

(c) The term iTop-Paid Groupi for any year includes Employees in the group of Employees specified in section 414(q)(4) of the code, which consists of the top 20 percent of Employees when ranked on the basis of Compensation paid during such year.

(d) In determining the number of Employees in the Top-Paid Group or the number of officers taken into account under subsection (c) of this section, nonresident aliens with no earned income from the Employer that constitutes income from sources within the United States shall not be treated as Employees and (unless the Employer elects otherwise) the following Employees shall be excluded:

(1) Employees with fewer than six months of service;

(2) Employees who normally work fewer than 17(hours per week;

(3) Employees who normally work during not more than six months during the year;

(4) Employees who have not attained age 21; and

(5) (to the extent permitted by regulation) Employees who are included in a unit of Employees covered by a collective bargaining agreement with the Employer.

(e) The dollar amounts incorporated under subsection (a)(2)(A) shall be adjusted as provided in section 414(q)(1) of the Code.

(f) For purposes of this section, the term "Compensation" means compensation as defined under section 415(c)(3) of the Code, without regard to sections 125, 402(a)(8)) and 402(h)(1)(B) of the Code and without regard to salary reduction contributions under section 403(b) of the Code. For Plan Years beginning after December 31, 1997, the term "Compensation" means compensation as defined under section 415(c)(3) of the Code.

(g) This section shall be interpreted in a manner consistent with section 414(q) of the Code and the regulations thereunder and shall be interpreted to permit any elections permitted by such regulations to be made.

2.38 Hour of Service.

(a) Each hour of an individual's employment with the Employer (including an Affiliated Company), which are members of a controlled group including an Employer under this Plan or which are under common control with an Employer under this Plan within the meaning of sections 414(b) and (c) of the Code, for which the Employee is directly or indirectly paid or entitled to payment from an Employer or Affiliated Company and for an Employee described in subsection (b)(5) below each hour during which he is on Leave of Absence.

(b) Employees shall receive credit for Hours of Service as follows:

(1) Employees whose pay is determined on the basis of certain amounts for each hour worked and who are regularly scheduled to work less than 40 hours per week shall receive credit for the number of Hours of Service completed during each week of employment;

(2) Employees whose pay is determined on the basis of certain amounts for each hour worked and who are regularly scheduled to work more than 39 hours per week shall receive credit for the greater of 40 Hours of Service for each week of employment or the number of Hours of Service completed during the week;

(3) Employees whose pay is not determined on the basis of certain amounts for each hour worked shall receive credit for 45 Hours of Service for each week of employment;

(4) Employees whose pay is not determined on the basis of certain amounts for each hour worked and who have entered into an agreement with their Employer to work a schedule that is less than 40 hours per week shall be credited with Hours of Service by multiplying 40 hours by the quotient obtained when such Employee's Compensation for that month is divided by the lowest full-time rate of pay for that Employee for the month; and

(5) Employees who were regularly scheduled to work at least 40 hours per week prior to the commencement of a Leave of Absence shall receive credit for 40 Hours of Service for each week or one-seventh of 40 Hours of Service for each day of the Leave of Absence.

(c) Each hour of a Child Birth or Adoption Absence shall be deemed an Hour of Service and each hour during which no duties are performed for which an Employee is paid or entitled to payment by an Employer or Affiliated Company, or by a trust or insurance company to which an Employer or Affiliated Company makes contributions, due to vacation, holiday, illness, incapacity (including disability), furlough, reduction in force, layoff, jury duty, military duty or Leave of Absence shall be deemed an Hour of Service; provided that, no more than 501 Hours of Service shall be credited to any Employee for a Child Birth or Adoption Absence or for a single continuous period in which the Employee is paid or entitled to payment and no duties are performed unless such Hours of Service are credited pursuant to another paragraph in this Section.

(d) Each hour for which back pay, irrespective of mitigation of damages, is awarded or agreed to by an Employer or Affiliated Company shall be deemed an Hour of Service.

(e) Employees shall not be credited with more than one Hour of Service for any hour of employment.

(f) Hours of Service shall be credited to the Computation Period during which such hours occur. Hours for a period during which no duties are performed for which an Employee is paid or entitled to payment not based on units of time shall be credited to the first of two Computation Periods during which such period occurs if such period extends beyond one Computation Period. Hours of Service for Child Birth or Adoption Absence shall be credited to the Computation Period in which the absence begins if the Participant is prevented from incurring a Break in Credited Service during such Computation Period solely by such credit, otherwise, such Hours of Service shall be credited to the immediately following Computation Period and Hours of Service for which back pay is awarded or agreed to shall be credited to the Computation Period for which the back pay was awarded instead of the Computation Period in which paid. Hours of Service for periods during which no duties are performed shall be determined, and shall be credited to Computation Periods, in a manner consistent with the requirements of Department of Labor Regulations section 2530.200b.2(b) and (c).

2.39 Income Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the Income Fund shall be invested primarily in securities and other investments, including without limitation index funds and mutual funds, with emphasis on current income and preservation of principal.

2.40 International Stock Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the International Stock Fund shall be invested primarily in non-U.S. equity securities and debt obligations of companies and governments or other investments including, without limitation, index funds and mutual funds.

2.41 Investment Contract Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the Investment Contract Fund shall be invested primarily in contracts with insurance carriers and financial institutions and in fixed-income securities which are subject to contracts protecting book value for early withdrawals.

2.42 Key Employee.

(a) Any of the Participants in this Plan or any of the participants in any plan required to be considered for purposes of Section 16.5 hereof, who, during the Plan Year or any of the preceding four Plan Years:

(1) is an officer of an Employer under this Plan or an Employer under such other plans ("employer" hereafter) having annual Compensation exceeding 50 percent of the amount in effect under section 415(b)(1)(A) of the Code for any such Plan Year provided that not more than 50 employees (or, if lesser, the greater of three employees or ten percent of all employees of an employer) shall be considered Key Employees pursuant to this clause;

(2) one of the ten Employees owning (or considered as owning within the meaning of section 318 of the Code) both more than one-half percent interest and one of the ten largest interests in an Employer;

(3) a five-percent owner of an Employer within the meaning of section 416(i)(1)(B) of the Code, or

(4) a one-percent owner of an Employer within the meaning of section 416(i)(1)(B) of the Code.

(b) For purposes of determining five-percent and one-percent owners, neither the aggregation rules nor the rules of section 414(b), (c), and (m) of the Code apply.

2.43 Leave of Absence. Absence by reason of:

(a) temporary disability;

(b) temporary layoff;

(c) any period of service in the armed forces of the United States, or, if a Participant is a national of a country other than the United States, in the armed forces of the country of which the Participant is a national;

(d) any period of employment with any Affiliated Company not a party to this agreement (other than employment specified in Section 2.29(b) hereof); and

(e) any other absence so designated by the Employer.

2.44 Market Value. The price at which an item of property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. The Market Value of any item of property is to be determined neither by a forced sale price nor by the sale price of the item in a market other than the market in which such item is most commonly sold to the public. All relevant facts shall be considered. A value determined pursuant to the principles stated in Section 5.6 hereof as of a time not the Valuation Date shall be deemed to be as of the Valuation Date, and shall be deemed to be the Market Value.

2.45 Other Defined Contribution Plan. A defined contribution plan, other than this Plan, maintained by the Employer or any Affiliated Company which is qualified under section 401(a) of the Code or any section of the Code which supersedes said section.

2.46 Participant. Any Employee who satisfies any of the eligibility requirements of Article III hereof and for whose account a credit has been made under the terms of this Plan through contributions by an Employer or by the Employee, or for whose account a credit would have been made had his or her Employer made a contribution. Participant shall also include any former Employee for whose credit an account is maintained under the terms of this Plan.

2.47 Participant Investment Funds. The Balanced Fund, Bond Fund, Growth Stock Fund, Equity Fund, Income Fund, International Stock Fund, Investment Contract Fund, and Raytheon Stock Fund, collectively.

2.48 Permanent Disability. The permanent disability of a Participant which has been verified to the satisfaction of the Committee.

2.49 Plan Account. The Cash or Deferred Account.

2.50 Plan Year. The period beginning with January 1 and ending with December 31 of each year.

2.51 Qualified Domestic Relations Order.

(a) A Domestic Relations Order which creates or recognizes the existence of an Alternate Payee's right, or assigns to an Alternate Payee the right, to receive all or a portion of the benefits payable with respect to a Participant under this Plan, and clearly specifies:

(1) the name and last known mailing address (if any) of the Participant and of each Alternate Payee covered by the order;

(2) the amount or percentage of the Participant's benefits to be paid by the Plan to each Alternate Payee, or the manner in which such amount or percentage is to be determined;

(3) the number of payments or period to which such order applies; and

(4) a statement that such order applies to this Plan.

(b) An order which requires the Plan to provide increased benefits (determined on the basis of the Participant's account balances), or for the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order, or requires the Plan to provide any type or form of benefits or any option not otherwise provided under this Plan shall not be considered a Qualified Domestic Relations Order.

(c) An order shall not be treated as requiring the Plan to provide any type or form of benefits or any option not otherwise provided solely because such order requires that payments of benefits be made to an Alternate Payee:

(1) in the case of any payment before a Participant has had a Termination of Employment, on or after the date on which such Participant attains (or would have attained) the Earliest Retirement Age;

(2) as if the Employee had a Termination of Employment on the date on which such payment is to begin under such Order (but taking into account only the Employee's account balances actually accrued to such date), or

(3) in any form in which such benefits may be paid under the Plan to the Participant.

2.52 Qualified Military Service. Any period of duty on a voluntary or involuntary basis in the United States Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty for training or full-time National Guard duty, the commissioned corps of the Public Health Service and any other category of persons designated by the President of the United States in a time of war or emergency. Such periods of duty shall include active duty, active duty for training, initial active duty for training, inactive duty training, full-time national Guard duty and absence from employment for an examination to determine fitness for such duty.

2.53 Raytheon Stock. The common stock of Raytheon Company.

2.54 Raytheon Stock Fund. A portion of the Trust Fund in which a Participant may elect to invest all or a portion of his or her Cash or Deferred Account. Assets in the Raytheon Stock Fund shall be invested primarily in Raytheon Stock except to the extent deemed necessary by the Trustee to meet the cash requirements of the Trust. Notwithstanding the foregoing, it is specifically provided that the Trustee shall not purchase Raytheon Stock under the terms hereof when, in the opinion of counsel for the Employer, such purchase may not be made.

2.55 Required Aggregation Group. Each plan of the Employer in which a Key Employee is a Participant in the Plan Year containing the Determination Date or any of the four preceding Plan Years, and each other plan of the Employer which will be required to be aggregated to enable any plan in which a Key Employee participates to meet the requirements of section 401(a)(4) or 410 of the Code.

2.56 Required Beginning Date.

(a) Except as otherwise provided in subsection (b), April 1 of the calendar year following the later of: the calendar year in which the Participant attains the age of 70(OMEGA), or the calendar year in which the Participant retires.

(b) In the case of a Participant who is a five-percent owner (as defined in section 416 of the Code) with respect to the Plan Year ending in the calendar year in which such Participant attains the age of 70(OMEGA), April 1 of the calendar year in which the Participant attains the age of 70(OMEGA).

2.57 Retirement. An Employee's first Termination of Employment at or after the age of 65 or, if earlier, Termination of Employment, pursuant to which the Employee received or is entitled to receive within 60 days, retirement benefits pursuant to the provisions of the Raytheon TI Systems Employees Pension Plan or any successor of such plan, or any other defined benefit retirement plan maintained by RTIS or any Affiliated Company, but if the Participant shall not be a Participant in any of such plans, Retirement shall be the time when such Participant ceases to be an Employee of the Employer or any Affiliated Company after the attainment of the age of 60 years, even though such age may be prior to the normal retirement date specified in the Raytheon TI Systems Employees Pension Plan.

2.58 Rollover Contribution.

(a) A contribution by a Participant of (i) an amount which shall not exceed an amount previously received by the Participant not more than 60 days preceding the date of such rollover contribution from (1) another deferred compensation plan qualified under section 401(a) of the Code, or (2) an individual retirement account which account was created and existed in accordance with section 408(d)(3) of the Code, or (ii) an amount which is a direct rollover to the Plan from another qualified plan or from an individual retirement account as such terms are defined in (i) above. For purposes of this Section, "direct rollover" shall mean an Eligible Rollover Distribution that is paid directly to this Plan for the benefit of the Distributee.

(b) Funds which are not eligible for treatment as rollover contributions pursuant to section 401(a)(31) of the Code shall not be considered Rollover Contributions.

2.59 Subsequent Employer. The purchaser, other than an Affiliated Company of (i) all or substantially all of the assets used in a trade or business of any Employer, or (ii) any Employer's interest in a subsidiary of that Employer with respect to an Employee who continues in employment with the purchaser; provided that a purchaser shall not be considered a Subsequent Employer if that purchaser agrees to maintain this Plan or to maintain or establish a defined contribution plan that is qualified under section 401(a) of the Code, to which Plan assets in the amount of the Employee's benefit under this Plan will be transferred.

2.60 Temporary Layoff. An absence from employment under circumstances of reduced employment requirements in which the Employer, through its normal documentation, expresses its intent to recall the Employee within six months, not including (unless otherwise determined by the Employer) any period of such absence in excess of six months.

2.61 Tender Offer. A tender offer, or exchange offer, or other offer to purchase, by any person either alone or in conjunction with others, or a solicitation of an offer to sell to such person, one percent or more of the outstanding shares of Raytheon Stock, which offer or solicitation is applicable to the Raytheon Stock held by the Trustee under the Trust.

2.62 Termination of Employment.

(a) a cessation of the Employer-Employee relationship which is not a Leave of Absence; or

(b) a failure to return to work after expiration of a Leave of Absence.

2.63 Top-Heavy Plan. A plan described in Section 16.4 hereof.

2.64 Top-Heavy Plan Year. A Plan Year during which the Plan is determined to be a Top-Heavy Plan.

2.65 Total Assets. The total assets as shown in the balance sheet contained in the consolidated financial statements of RTIS and Affiliated Companies audited by RTISis independent certified public accountants and reported to shareowners in the published annual report of RTIS.

2.66 Trading Day. Any day on which the New York Stock Exchange is open for business.

2.67 Trust Agreement. Master Trust Agreement between Raytheon Company and Fidelity Management Trust Company, dated July 31, 1992, establishing the Raytheon Company Master Trust for Defined Contribution Plans.

2.68 Trustee. The trustee or trustees acting as such under the Trust Agreement, including any successor or successors.

2.69 Trust Fund. All money and other property held from time to time by the Trustee pursuant to the Trust Agreement.

2.70 Unallocated Raytheon Stock. Shares of Raytheon Stock held by the Trustee under the Trust that are not attributable to that portion of a Participant's Cash or Deferred Account invested in the Raytheon Stock Fund.

2.71 Valuation Date. Any Trading Day.

2.72 Year of Credited Service.

(a) A 12 consecutive month period commencing on an Employee's Date of Employment or any anniversary of such date during which the Employee completes at least 1,000 Hours of Service. Notwithstanding the foregoing, for an Employee identified in Section 2.38(b)(4) hereof, 750 hours shall be substituted for 1,000 Hours of Service.

(b) Any Employee who was, immediately before the effective date of the Plan, an employee of Texas Instruments Incorporated, shall have his or her Years of Credited Service determined under the preceding provisions of this section but, in making such determination, employment with Texas Instruments Incorporated shall be treated as if it were performed for RTIS.

ARTICLE III - ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Participation. Employees shall be eligible to participate in this Plan as provided in Section 3.2 below. Participation in any Plan Account shall be entirely voluntary and such participation shall not be a condition of continued employment. In order to become a Participant in the Cash or Deferred Account, an Employee shall sign an appropriate acceptance card at such time and in such manner as the Committee shall prescribe, indicating his or her assent to the terms and conditions of this Plan and such Plan Account and his or her agreement to accept the same and be bound thereby on behalf of himself or herself and his or her Beneficiaries or personal representatives.

3.2 Participation.

(a) Cash or Deferred Account. Any Employee shall be eligible to participate in the Cash or Deferred Account on the date he or she becomes an Employee and shall become a Participant on the date he or she files a Deferred Compensation Agreement pursuant to Section 3.3 below with the Committee.

(b) Rollovers. Any Employee shall become eligible to make a Rollover Contribution to the Plan on the date he or she becomes an Employee. Each Employee who makes a Rollover Contribution shall become a Participant in the Cash or Deferred Account on the date such Rollover Contribution is made (such Rollover Contribution being subject to such limitations and terms and conditions as the Committee may prescribe from time to time), but only to the extent of the Participant's Rollover Contribution.

3.3 Deferred Compensation Agreement.

(a) In order to authorize Employer CODA Contributions to a Cash or Deferred Account in his or her name, an Employee shall sign and file a Deferred Compensation Agreement at such time and in such form as the Committee shall prescribe. Subject to the terms and conditions hereinafter stated, and subject to such further limitations, terms and conditions as may be prescribed from time to time by the Committee, each Participant may enter into, amend or revoke a Deferred Compensation Agreement. Each such agreement and any amendment or revocation which conforms to the terms and conditions prescribed by the Committee shall be effective as soon as practicable after it is received by the Committee and shall continue in effect until revoked or modified by the Participant filing a new agreement, amendment, or revocation or by the Committee acting pursuant to Section 3.4 hereof. Any Employee with respect to whom a Deferred Compensation Agreement has not been filed or is not effective for any given payroll period shall be deemed to have elected cash Compensation in lieu of an Employer CODA Contribution pursuant to Section 4.1 hereof.

(b) The amount of Employer CODA Contributions elected by an Employee shall be not less than the minimum nor more than the maximum specified from time to time by the Committee, but in no event shall it exceed $7,000 as adjusted from time to time by the Secretary of the Treasury or his or her delegate for increases in the cost-of-living pursuant to the provisions of section 402(g) of the Code.

(c) Each Deferred Compensation Agreement shall be applicable to all payroll periods during which such agreement is in effect.

3.4 Committee Amendment or Revocation of Deferred Compensation Agreement.

(a) The Committee shall have the absolute and unqualified right to amend or revoke the Deferred Compensation Agreement of any Participant at any time, if the Committee determines in its sole discretion that such amendment or revocation is necessary or appropriate to prevent the Employer CODA Contributions elected by such Participant for any Plan Year from exceeding the limitations set forth in Sections 4.4 or 4.5 hereof, to maintain the tax-qualified status of this Plan and the Trust, or to prevent employer contributions for all participants under this Plan from exceeding the limits under Section 4.3 hereof.

(b) Notwithstanding the foregoing, the Committee shall have the absolute and unqualified right to postpone or suspend Compensation deferrals pursuant to Participant elections if such committee determines, in its sole discretion, that such postponement or suspension is desirable or necessary for any reason including, without limitation, the absence or insufficiency of appropriate facilities, equipment, personnel, computer systems or other resources or administrative procedures for processing such Deferred Compensation Agreements or Compensation deferrals.

3.5 Effect of Break in Credited Service. An Employee who has incurred a Break in Credited Service shall not participate in any Plan Accounts of this Plan during the Break in Credited Service. Former Participants in one or more Plan Accounts and Employees who had satisfied the requirements for participation in one or more Plan Accounts prior to incurring a Break in Credited Service shall begin participating in such Plan Account or Plan Accounts effective upon the date of reemployment, provided that in the case of any Plan Account any such Participant or former Employee (i) who has not completed the number of Years of Credited Service for Vesting required under such Plan Account, and (ii) whose number of consecutive Breaks in Credited Service equal or exceed his or her aggregate number of Years of Credited Service prior to the Break in Credited Service (excluding Years of Credited Service which have previously been excluded under this Section), shall begin participating in such Plan Account in accordance with the provisions of Section 3.2 hereof, and his or her Years of Credited Service prior to his or her last Break in Credited Service shall be disregarded in determining such Employee's eligibility to participate in such Plan Account, provided that, such Years of Credited Service shall not be disregarded in the case of any Break in Credited Service occurring after December 31, 1984 unless the number of consecutive Breaks in Credited Service of the Participant is at least five.

3.6 Treatment of Qualified Military Service. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with section 414(u) of the Code.

ARTICLE IV - CONTRIBUTIONS

4.1 Amount of Employer CODA Contributions. Employers shall from year to year contribute for the exclusive benefit of the Participants an amount equal to the total amount of contributions elected by all Participants in their Deferred Compensation Agreements effective for the Plan Year, subject to the limitations set forth in Article III hereof and in Sections 4.4, 4.4, and 4.5 hereof; provided however, that not more than 17 percent of Compensation may be contributed per pay period.

4.2 Amount of Employer Matched Savings Contributions. Employers shall contribute on behalf of each Participant for whom contributions are made pursuant to Section 4.1 hereof, an amount equal to 50 percent of the amount contributed on behalf of such Participant pursuant to Section 4.1 hereof for the Plan Year, not to exceed an amount equal to two percent of the amount of Compensation received by such Participant during the Plan Year.

4.3 Limitation on Employer Contributions. Notwithstanding the foregoing Sections 4.1 and 4.2 hereof, the Employer contributions pursuant to this Plan shall be subject to the limitations of Sections 4.4 and 4.5 hereof; and there shall not be contributed for any Employer more than 15 percent of the total Compensation paid to all of its participating Employees, determined on a cumulative basis for all Plan Years computed as of the end of each Plan Year.

4.4 Reduction of Employer CODA Contributions and Employer Matched Savings Contributions to Meet Section 401(k) and Section 401(m) Discrimination Tests.

(a) Notwithstanding the provisions of this Article IV, the Committee may at any time in accordance with the provisions of Section 4.5 hereof, decrease the amount of the Employer CODA Contributions elected by any Participant and Employee Matched Savings Contribution for any Participant to meet the requirements of sections 401(k)(3) and 401(m) of the Code. In the event that the amounts of the Employer CODA Contributions and Employer Matched Savings Contributions on behalf of any Participant under this Article exceed the amounts specified in Section 3.3 hereof or the annual allowable deferral amount under section 401(k)(3) or 401(m) of the Code, the excess contributions and earnings thereon shall be distributed to the Participant by the end of the Plan Year following the Plan Year in which such excess contributions were made.

(b) The exclusions in Sections 4.4(d) and 4.4(h) below shall be applied on a uniform and consistent basis for all purposes for which the definition contained in section 414(q) of the Code is applicable.

(c) The provisions of section 1.401(m).2(b) of the regulations under the Code are hereby incorporated by this reference.

(d) In the event that the initial allocations of Employer CODA Contributions do not satisfy one of the tests set forth in this Section ("excess contributions" hereafter), such excess contributions shall be adjusted as follows: on or before the fifteenth day of the third month following the end of each Plan Year, the Highly Compensated Employee having the highest actual deferral ratio shall have his or her portion of such excess contributions distributed to him until one of the tests set forth in this Section is satisfied, or until his or her actual deferral ratio equals the actual deferral ratio of the Highly Compensated Employee having the next highest deferral ratio. This process shall continue until one of the actual deferral percentage tests set forth in this Section is satisfied.

(e) For each Highly Compensated Employee, the amount of excess contributions is equal to the Elective Contributions on behalf of such Highly Compensated Employee (determined prior to the application of this paragraph) minus the amount determined by multiplying the Highly Compensated Employee's actual deferral ratio (determined after application of this paragraph) by his or her Compensation as defined in Section 2.14 hereof. However, in determining the amount of excess contributions to be distributed with respect to an affected Highly Compensated Employee as determined herein, such amount shall be reduced by any excess deferred compensation previously distributed to such affected Highly Compensated Employee for his or her taxable year ending with or within such Plan Year and any matching contributions which relate to such excess deferred compensation.

(f) With respect to the distribution of excess contributions pursuant to this Section; such distribution:

(1) may be postponed but not later than the close of the Plan Year following the Plan Year to which they are allocable;

(2) shall be made first from unmatched deferred compensation and, thereafter, simultaneously from deferred compensation which is matched and matching contributions which relate to such deferred compensation;

(3) shall be adjusted for income; and

(4) shall be designated by the Employer as a distribution of excess contributions (and income).

(g) Reduction to Meet Section 401(m) Discrimination Tests. In the event that the initial allocations of Employer Matched Savings Contributions for any Participant do not satisfy one of the tests set forth in this Section ("excess aggregate contributions" hereafter), the excess aggregate contributions shall be adjusted as follows: on or before the fifteenth day of the third month following the end of each Plan Year, the Highly Compensated Employee having the highest actual contribution ratio shall have his or her portion of the excess aggregate contributions distributed to him until one of the tests set forth in this Section is satisfied, or until his or her actual contribution ratio equals the actual contribution ratio of the Highly Compensated Employee having the next highest actual contribution ratio. This process shall continue until one of the actual contribution percentage tests set forth in this Section is satisfied.

(h) For each Highly Compensated Employee, the amount of excess aggregate contributions is equal to the Employee Matched Savings Matching Contributions on behalf of such Highly Compensated Employee (determined prior to the application of this paragraph) minus the amount determined by multiplying the Highly Compensated Employee's actual contribution ratio (determined after application of this paragraph) by his or her Compensation as defined in Section 2.14 hereof.

(i) With respect to the distribution of excess aggregate contributions pursuant to this Section; such distribution:

(1) may be postponed but not later than the close of the Plan Year following the Plan Year to which they are allocable;

(2) shall be adjusted for income; and

(3) shall be designated by the Employer as a distribution of excess aggregate contributions (and income).

4.5 Reduction of Annual Additions.

(a) Annual Additions for Participants shall be reduced in accordance with Sections 4.5(b) and 4.5(f) below. In the event that any Other Defined Contribution Plans do not provide for reductions in Annual Additions in accordance with this Section, then the reductions in the Annual Additions under this Plan shall be made in the order set forth below, disregarding the specified priority for reductions in the Annual Additions to such Other Defined Contributions Plans which do not so provide.

(b) Notwithstanding any other provisions of this Plan to the contrary, the Annual Additions to a Participant under the Cash or Deferred Account on behalf of each Participant for any Plan Year, when combined with the Annual Additions on behalf of such Participant for such Plan Year under all Other Defined Contribution Plans cannot exceed the lesser of:

(1) $30,000 (or, if greater, one-fourth of the dollar limitation in effect for such Plan Year under section 415(b)(1)(A) of the Code) as adjusted from time to time by the Secretary of the Treasury or his or her delegate for increases in the cost of living pursuant to the provisions of section 415(d) of the Code; or

(2) 25 percent of the Participant's 415 Compensation during the Plan Year.

(c) (1) Annual Additions to which a Participant would otherwise be entitled pursuant to the provisions of this Plan and such Other Defined Contribution plans which are in excess of the limitations set forth above shall be reduced in the following order:

(A) Employer CODA Contributions under Section 4.1 hereof;

(B) Employer Matched Savings Contributions under Section 4.2 hereof; and

(C) Forfeitures under Section 5.7 hereof.

(2) In the event that any such Other Defined Contribution Plans do not provide for reductions in Annual Additions in accordance with this Section, then the reductions in the Annual Additions under this Plan shall be made in the order set forth above, disregarding the specified priority for reductions in the Annual Additions to such Other Defined Contributions Plans which do not so provide.

(d) The Annual Additions for any year for a Participant who is or who has been a Participant in one or more defined contribution plans maintained by an Employer, or Affiliated Company (determined by substituting 50 percent for 80 percent in section 414(b) and (c) of the Code) which is qualified under section 401(a) of the Code shall be aggregated for purposes of the limitations contained in this Section.

(e) If as a result of the allocation of Forfeitures, a reasonable error in estimating a Participant's 415 Compensation, or under other limited facts and circumstances which the Internal Revenue Commissioner finds justify the availability of the provisions set forth in this paragraph, the Annual Additions under this Plan on behalf of any Participant for any Plan Year would cause the limitations set forth in this Section 4.5(b) to be exceeded for the Plan Year, such Participants' excess Employer CODA Contribution and income thereon shall be returned to the Participant to the extent of such excess amounts, and any excess amounts remaining after such refund shall, if the Participant is a Participant in this Plan as of the end of the Plan Year in which the excess occurs, be used to reduce Employer contributions for such Participant in the following Plan Year (and any succeeding Plan Years until the excess amount is exhausted); provided that, if such Participant ceases to be a Participant in this Plan prior to the end of the Plan Year in which the excess occurs, then the excess amounts shall be unallocated in a suspense account and allocated and reallocated to the Cash or Deferred Accounts as determined by the Committee, of all Participants in this Plan (subject to the limitations of this Section 4.5(b)) in the following Plan Year prior to the allocation of any Employer contributions and shall reduce the amount of Employer contributions for such following Plan Year for all Participants in this Plan.

(f) The Annual Additions for any year for a Participant who is or who has been a Participant in one or more defined benefit plans maintained by an Employer, or Affiliated Company (determined by substituting 50 percent for 80 percent in section 414(b) and (c) of the Code) which is qualified under section 401(a) of the Code shall not exceed an amount which would result in the sum of the Participant's Defined Benefit Fraction for any year and the Participant's Defined Contribution Fraction for the same year exceeding 1.0.

(g) Annual Additions to which a Participant would otherwise be entitled pursuant to the provisions of this Plan and such Other Defined Contribution Plans and defined benefit plans which are in excess of the limitations set forth above shall be reduced in the following order:

(1) All retirement benefits under such defined benefit plans;

(2) Employer CODA Contributions under Section 4.1 hereof;

(3) Employer Matched Savings Contributions under Section 4.2 hereof; and

(4) Forfeitures under Section 5.7 hereof.

(h) In the event that any such defined benefit plans or Other Defined Contribution Plans do not provide for reductions in Annual Additions in accordance with this Section, then the reductions in the Annual Additions under this Plan shall be made in the order set forth above, disregarding the specified priority for reductions in the Annual Additions to such Other Defined Contribution Plans which do not so provide.

(i) If as a result of the allocation of Forfeitures, a reasonable error in estimating a Participant's 415 Compensation, or under other limited facts and circumstances which the Internal Revenue Commissioner finds justify the availability of the provisions set forth in this Paragraph, the Annual Additions under this Plan on behalf of any Participant for any Plan Year would cause the limitations set forth in this Section 4.5(i) to be exceeded for the Plan Year, such Participants' excess Employer CODA Contribution, and income thereon, shall be returned to the Participant to the extent of such excess amounts, and any excess contribution amounts remaining after such refund shall, if the Participant is a Participant in this Plan as of the end of the Plan Year in which the excess occurs, be used to reduce Employer contributions for such Participant in the following Plan Year (and any succeeding Plan Years until the excess amount is exhausted); provided that, if such Participant ceases to be a Participant in this Plan prior to the end of the Plan Year in which the excess occurs, then the excess amounts shall be held unallocated in a suspense account and allocated and reallocated to the Cash or Deferred Accounts as determined by the Committee, of all Participants in this Plan (subject to the limitations of this Section 4.5(i) in the following Plan Year prior to the allocation of any Employer contributions for such following Plan Year for all Participants in this Plan.

4.6 Allocation of Employer Contributions Among Employers. Allocation of Employer CODA Contributions and Employer Matched Savings Contributions Among Employers. The Employer CODA Contributions and Employer Matched Savings Contributions of each Employer shall be that portion of the amount determined in Sections 4.1 and 4.2 hereof which the total amount elected pursuant to Section 4.1 hereof by all Participants employed by the Employer bears to the total amount elected by all Participants in the Plan for the Plan Year. If, however, all Employers are members of an affiliated group (as such term is used in the Code) and any Employer is prevented from making a contribution it would otherwise have made by reason of having no current or accumulated earnings and profits (as such terms are used in the Code) or because such earnings and profits are less than the Employer contribution which it would otherwise have made, then so much of the contribution which such Employer was prevented from making may be made for the benefit of the participating Employees of such Employer by the other Employers of the group to the extent permitted by the Code.

4.7 Form of Employer Contributions. The amount of each Employer's Employer CODA Contributions and Employer Matched Savings contributions under this Plan shall be made to the Trustee in the form of cash and/or other property of equivalent value as of the date of contribution, including without limitation authorized and previously unissued Raytheon Stock and Raytheon Stock held as treasury shares. The value of any Raytheon Stock contributed as of the date of contribution of the Stock shall be the Market Value of Raytheon Stock on the Composite Tape of the New York Stock Exchange on the date of contribution (or if there shall be no trading on such date, then on the first previous date on which there was such trading).

4.8 Time of Employer Contributions. The Employer CODA Contributions and the Employer Matched Savings Contributions shall be made as soon as practicable after each pay period, but in any event such contributions shall be made within the period prescribed by the provisions of section 401(k) of the Code or any section of the Code which supersedes said section.

4.9 Investment of Employer Contributions. All Employer CODA Contributions and Employer Matched Savings Contributions for the Plan Year shall be made in cash and/or other property of equivalent value as of the date of contribution to the individual Participant's Cash or Deferred Account which will be fully invested as soon as practicable after receipt by the Trustee in the Participant Investment Funds in accordance with each Participant's investment election then in effect.

4.10 Participant Rollover Contributions.

(a) Subject to the terms and conditions hereinafter stated, and subject to such further limitations, terms and conditions as may be prescribed from time to time by the Committee, each Employee may make a Rollover Contribution to such Participant's Cash or Deferred Account. No Rollover Contribution may be made with funds which are not eligible for treatment as rollover contributions pursuant to section 403(a)(4) of the Code. The Committee shall have the absolute and unqualified power and authority to determine in its sole discretion whether any such rollover contributions meet the requirements of the Code and to grant or deny the application of any Employee or Participant to make Rollover Contributions to this Plan.

(b) Rollover Contributions shall be made to the Trustee in the form of cash or check from the prior trustee or financial institution payable to the order of the Plan.

(c) All Rollover Contributions shall be credited to the Participant's Cash or Deferred Account and shall be fully invested as soon as practicable after receipt by the Trustee in accordance with instructions received from the Participant in accordance with the provisions of Section 5.3 hereof.

ARTICLE V - PARTICIPANTS AND PARTICIPANT ACCOUNTS

5.1 Employer CODA and Matched Savings Contributions. Employer CODA Contributions and Employer Matched Savings Contributions shall be allocated and credited to the Participant Investment Funds of the Participants who are Employees of such Employer in accordance with the Deferred Compensation Agreement made by the respective Participant for the particular Plan Year; provided, however, that the amount of any reduction in the Employer's contribution made with respect to a Participant pursuant to Sections 3.5, 4.4 or 4.5 hereof shall be deducted from the amount which would otherwise be allocated to such Participant's Cash or Deferred Account. Such contributions shall be invested as soon as practicable after they are received by the Trustee in the Participant Investment Funds in accordance with the investment election made by the Participant.

5.2 Participant Investment Elections.

(a) Subject to the terms and conditions hereinafter stated, and subject to such further limitations, terms and conditions as may be prescribed from time to time by the Committee, each Participant may elect the investment of amounts credited to his or her Plan Accounts in accordance with the provisions of this Section 5.2.

(b) Subject to the provisions of Section 5.3 hereof, a Participant may elect to invest all or part of the assets credited to his or her Cash or Deferred Account in any of the Participant Investment Funds. Such elections may be made not more often than once each day. Each such election which conforms to the terms and conditions prescribed by the Committee shall be effective as soon as practicable after it is made and shall continue in effect until revoked or modified by a new election.

5.3 Transfers Between Participant Investment Funds.

(a) Subject to the terms and conditions hereinafter stated, and subject to such further limitations, terms and conditions as may be prescribed from time to time by the Committee, each Participant may elect not more often than once each day to transfer assets credited to his or her Plan Accounts among any of the Participant Investment Funds in such portions as the Committee shall prescribe.

(b) (1) Conditions on Elections. Elections made pursuant to Section 5.3(a) hereof shall be made in such manner, within such time and subject to such limitations, terms and conditions as the Committee shall prescribe. Each such election which conforms to the terms and conditions prescribed by the Committee shall be effective as soon as practicable after it is received by the Committee.

(2) Notwithstanding any provision of this Plan to the contrary no transfers may be made of any amounts in any Participant Investment Funds which are invested in contracts or other instruments that do not expressly permit transfers. Any transfers of any amounts in any Investment Fund which are invested in contracts or other instruments that permit transfers shall be subject to the provisions of such contracts or instruments, including any penalty provisions.

(c) Limitations on Transfers from Investment Contract Fund. No transfers may be made from the Investment Contract Fund to the Income Fund and no funds previously invested in the Investment Contract Fund may be transferred to the Income Fund from any other Participant Investment Funds until after the expiration of 90 days from the date those funds were transferred from the Investment Contract Fund.

5.4 Forfeitures. The Committee shall maintain a separate Forfeiture account to which shall be credited the amount of the account balances of all Forfeitures occurring during the Plan Year.

5.5 Valuation of Assets. Property held in the Participant Investment Funds established in connection with the Plan Accounts shall be valued in accordance with the following principles:

(a) Valuation of Property in General. The value of each item of property is its Market Value.

(b) Valuation of Stocks, Bonds, and Other Securities Traded on an Established Market. Stocks, bonds and other securities traded on an established market shall be valued at their closing sale prices on the Valuation Date. If no sale is reported for the Valuation Date, the Market Value shall be the closing price on the most recent Trading Day on where there was a trade unless in the opinion of the Trustee the value thus obtained does not fairly reflect the actual Market Value on the Valuation Date, in which case the security shall be valued by the reputable broker or investment banker selected by the Trustee.

(c) Valuation of Notes. Each note shall be valued at the sum of its unpaid principal and of interest accrued to the Valuation Date, unless the Trustee shall obtain evidence satisfactory to the Trustee that the note is worth less than such sum because of change in interest rate, date of maturity, or other cause, or that such sum, either in whole or in part, is uncollectible by reason of insolvency of the party or parties (including any maker, guarantor, or surety) liable, or for other cause, or that any property pledged or mortgaged to secure the payment of such sum or any part thereof is insufficient to satisfy payment of such sum or any part thereof, in which case the note shall be valued by the Trustee in view of the evidence thus obtained.

(d) Valuation of Commingled Investment Funds. Assets of the Trust commingled and invested with assets belonging to persons other than the Trust shall be valued at the fair Market Value thereof on the Valuation Date as determined by the manager of such assets.

(e) Valuation of Other Property. The valuation of any property not specifically described in Sections 5.5(b), 5.5(c) and 5.5(d) hereof shall be made in accordance with the criteria set forth in Section 5.5(a) hereof.

ARTICLE VI - LOANS

6.1 Loans.

(a) Subject to the terms and conditions hereinafter stated, and subject to such further limitations, terms and conditions as may be prescribed from time to time by the Committee, the Committee may authorize a loan or loans to a Participant, who is not on a Leave of Absence, from his or her Plan Accounts.

(b) Loan repayments will be suspended under this Plan as permitted under section 414(u) of the Code.

6.2 Limitation on Amount and Number. No loan shall be granted:

(a) which would result in there being a total amount of loans outstanding to a particular Participant, including accrued interest, in excess of 50 percent of the combined value of the Participant's then-vested interest in his or her Cash or Deferred Account as of the date the loan is processed;

(b) which would result in there being a total amount of loans outstanding to the Participant from this Plan and all Other Defined Contribution Plans maintained by an Employer or Affiliated Company which are qualified under the Code, in excess of $50,000 reduced by the highest outstanding balance (if any) of all loans from the plans to such Participant during the preceding 12-month period;

(c) with respect to amounts attributable to a Participant's Cash or Deferred Account in an amount which exceeds the value of the Participant's Cash or Deferred Account, determined pursuant to Section 5.5 hereof as of the date the loan is processed;

(d) which would result in the removal from the Participant's Account any assets which are invested in contracts or instruments that do not expressly permit loans; or

(e) with a principal balance of less than $500.

6.3 Terms.

(a) Each loan shall be deducted from a Participant's account, shall be secured by that portion of the Participant's vested account balance deducted for the loan, and shall be made for such periods of time, not to exceed five years, upon such rate of interest, and upon and subject to such other limitations, terms and conditions as the Committee shall determine. Each loan, including interest as it accrues, shall be repaid in installments in such amounts as the Committee shall determine from each payment of Compensation by the Employer to the Participant, and the Participant in writing shall irrevocably authorize his or her Employer to withhold the amount of each such installment repayment from each payment of the Participant's Compensation and to remit the same to the Trust. Each installment shall be credited to the Participant's account in accordance with the most recent Participant investment election pursuant to Section 5.2 hereof. In the event a Participant's Compensation payments from an Employer are interrupted or for any other reason loan installment payments cannot be remitted to the Trustee by the Participant's Employer while any loan is outstanding, the Participant shall make such installment payments, if any, within such time and such manner as the Committee shall, in its sole discretion, determine. In the event the Participant fails or refuses to make installment payments determined by the Committee on any loan outstanding under this Plan, such committee may, in its sole discretion, waive or reduce any or all of such payments, or accelerate the maturity of such loan and in such event the entire unpaid principal balance and all interest accrued on such loan shall mature and become immediately due and payable and the unpaid balance of principal and interest, interest accrued thereon, collection costs, attorneys fees and other amounts due and owing pursuant to the provisions of the instruments evidencing the loan shall be deemed paid.

(b) The Committee shall have the absolute and unqualified right, in its sole discretion, to prescribe limitations, terms and conditions for all loans, and to prescribe, amend with the consent of the Participant, and waive any installment payments on any loan or loans made hereunder.

6.4 Termination of Employment While Loan Outstanding. In the event the entire principal balances of, together with all interest accrued on, all loans made to a Participant have not been fully repaid to the Trust when the Participant or the Participant's Beneficiary becomes entitled to payment or distribution (excluding withdrawals made pursuant to Section 7.9 hereof) of any of the assets in the Participant's Cash or Deferred Account if necessary, the entire unpaid principal balances and all interest accrued on all loans made to the Participant shall mature and become immediately due and payable and the unpaid balances of principal and interest, interest accrued thereon, collection costs, attorneys fees and other amounts due and owing pursuant to the provisions of the instruments evidencing the loans shall be deducted from the Participant's Cash or Deferred Account and applied to payment of such amounts to the Trust prior to such distribution or payment of any amounts to the Participant or the Participant's Beneficiary.

6.5 Suspension or Termination. The Committee shall have the absolute and unqualified right to suspend or terminate any and all rights of Participants to receive loans under the Plan and the absolute and unqualified right to refuse to make any and all loans to any Participant if such committee, in its sole discretion, determines that such action is desirable or necessary to maintain the status of the Plan and Trust as qualified under the provisions of section 401 of the Code or any other section of the Code which supersedes such section, or that the Trust has insufficient cash available to make the loan or that the making of any such loan or loans would or might constitute a violation of laws, rules, regulations or orders applicable to the Plan. The Committee also shall have the absolute and unqualified right to suspend or terminate any and all rights of Participants to receive loans or to delay the effective date of any and all loans if it, in its sole discretion, determines that such action is desirable or necessary for any reason, including without limitation, the absence or insufficiency of appropriate facilities, equipment, personnel, computer systems or other resources or administrative procedures for processing loans.

ARTICLE VII - PAYMENTS TO PARTICIPANTS AND BENEFICIARIES

7.1 Distributions at Retirement, Permanent Disability or Death. Upon Termination of Employment of an Employee because of Retirement or Permanent Disability or in case of the death of any Participant, the full amount of his or her Plan Accounts shall be payable to the Participant or, in case of death, to the Beneficiary or Beneficiaries, subject to applicable laws.

7.2 Payments in Absence of Beneficiary. If a Participant does not have a surviving spouse and fails to designate another Beneficiary or if the Beneficiary so designated shall not survive the Participant, the Committee may cause the Participant's interest upon his or her death to be paid to any one or more surviving descendant or descendants or to any surviving parent or parents or the executor under his or her will or to the administrator of his or her estate, or to any one or more of such persons as such committee may direct.

7.3 Distribution Upon Termination of Employment. A Participant shall be fully and immediately vested in all amounts credited to his or her Cash or Deferred Account. No forfeiture of a vested interest in such accounts shall take place for any reason under this Plan. Upon Termination of Employment of any Participant for any reason other than death, the Participant shall be entitled to receive the full amount of his or her Cash or Deferred Account.

7.4 Amount and Form of Distribution.

(a) Distribution in Raytheon Stock. All distributions from the Raytheon Stock Fund shall be in Raytheon Stock unless the Participant or Beneficiary elects otherwise, provided that no Raytheon Stock shall be distributed until an S-8 application has been filed with the Securities Exchange Commission and all other requirements of law have been satisfied. Notwithstanding the foregoing, no fractional shares of Raytheon Stock shall be distributed, and all assets to be distributed in the form of Raytheon Stock from any Plan Account shall be aggregated for the purposes of such distribution so that there shall be no more than one fractional share of Raytheon Stock. In lieu of any fractional shares there shall be distributed in cash the Market Value of Raytheon Stock as of the Trading Day on which the distribution is processed.

(b) Election for Distribution in Cash. A Participant may elect, at such time and in such manner as shall be specified by the Committee, to have all amounts in all of the Participant's Plan Accounts distributed in cash. In the event the Participant dies without having made an election and prior to the commencement of any distributions to the Participant, or to the Participant's Beneficiaries, all primary Beneficiaries of the Participant (or all contingent Beneficiaries if no primary Beneficiaries survive the Participant) may elect, at such time and in such manner as shall be specified by the Committee, to have all amounts in all of the Participant's Plan Accounts distributed in cash. In the event of such election, all Plan Accounts shall be valued in accordance with Section 5.5 hereof, as of the Trading Day on which the distribution is processed.

7.5 Time of Payment.

(a) All amounts distributable shall be paid or distributed to the Participant or Beneficiary by the Trustee pursuant to instructions by the Committee commencing, except as set forth in the following sentence, as soon as practicable after the event giving rise to the distribution if the cumulative balance in all of the Participant's Plan Accounts (i) does not exceed $3,500, or (ii) exceeds $3,500 and the Participant, if living, and if not, the Participant's Beneficiary, consents to such payment in such form and within such time as the Committee may prescribe.

(b) Any amounts distributable to a Participant or Beneficiary shall, if not previously distributed, be fully distributed unless the Participant elects otherwise not later than the sixtieth (60th) day after the end of the Plan Year of the Participant's (i) attainment of age 65; (ii) tenth (10th) anniversary of participation hereunder, or (iii) Retirement subject to the provisions of Section 7.7 hereof.

(c) Notwithstanding the foregoing, distributions to the Beneficiaries of any Participant whose death occurs prior to the commencement of any distributions to such Participant shall be made in such number of increments, not more than three, as may be elected (i) by the Participant by written election filed with the Committee prior to his or her death, or (ii) by all primary Beneficiaries of the Participant (or by all contingent Beneficiaries of the Participant if no primary Beneficiaries survive the Participant) by written election filed with the Committee after the death of the Participant and prior to the commencement of any distributions to the Participant or his or her Beneficiaries; such elections may be revoked by the Participant, or after the Participant's death by all primary Beneficiaries of the Participant (or by all contingent Beneficiaries of the Participant if no primary Beneficiaries survive the Participant), by notice in writing filed with the Committee prior to the commencement of any distribution to the Participant or his or her Beneficiaries. Except as provided in this Section 7.5, all Cash or Deferred Account distributions to a particular Participant shall be made within the same calendar year.

7.6 Deferred Payment. A Participant, or, in case of his or her death a Participant's Beneficiaries whose distribution would equal or exceed $3,500.00 may defer the receipt of all distributions to be made by the Trustee subsequent to such Participant's Termination of Employment or death until such date as the Participant or Beneficiaries may elect.

7.7 Maximum Time of Commencement and Completion of Distributions. Notwithstanding any other provision of this Plan, in no event shall distribution of the amount distributable to any Participant hereunder commence later than the Required Beginning Date. In the event the entire amount distributable to a Participant is not fully paid to the Participant by the end of the Required Beginning Date, distribution of the entire amount distributable to the Participant shall be fully paid within a period extending either over the life of the Participant or over the lives of the Participant and the Participant's Beneficiary or a period not extending beyond the life expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's Beneficiary. The minimum payment which shall be made in each year of the foregoing periods shall not be less than the lesser of (i) the remaining unpaid balance of the amount distributable to the Participant, or (ii) an amount equal to the quotient obtained by dividing the remaining unpaid balance of the amount distributable to the Participant at the beginning of the year by the number of years remaining in the period (determined as of the date of the Required Beginning Date and, if payable to the Participant's spouse, redetermined annually), reduced by one for each year commencing after the Required Beginning Date. In the event a Participant dies before his or her

entire amount distributable has been paid to him or her, the remaining portion of the amount distributable shall be paid at least as rapidly as under the method of payment in effect at the time of death. In the event distributions have not begun at the Participant's death, the entire interest will be fully paid within five years after the death of the Participant. The preceding sentence shall not apply if distribution of the amount distributable to the Participant commences within one year after the Participant's death to a designated Beneficiary and does not extend beyond the life expectancy of the Beneficiary. Any distribution pursuant to this Section shall be in accordance with the requirements of proposed regulations 1.401(a)(9).1 and 1.401(a)(9).2 under the Code, which are hereby incorporated by this reference.

7.8 Withdrawals.

(a) The right of withdrawal shall be cumulative. An Employee may withdraw in any year all amounts which he was entitled to but did not withdraw in prior years.

(b) No Employee shall have the right to withdraw any amounts from his or her Cash or Deferred Account prior to becoming entitled to a distribution pursuant to Section 7.3 hereof. The election to withdraw shall be exercisable at such time, in such form and subject to such conditions as the Committee shall prescribe.

(c) No withdrawal shall be made which would reduce the value of the Participant's Cash or Deferred Account to less than 200 percent of the sum of all outstanding and unpaid principal balances and accrued interest on loans made to the Participant pursuant to Article VI. Any withdrawals of any assets in a Participant's accounts which are invested in contracts or other instruments that permit withdrawals shall be subject to the provisions of such contracts or instruments, including any penalty provisions.

7.9 Suspension or Termination. The Committee shall have the absolute and unqualified right to suspend or terminate any and all rights of withdrawal or to delay the effective date of any and all withdrawals if it, in its sole discretion, determines that such action is desirable or necessary to maintain the status of the Plan and Trust as qualified under the provisions of section 401 of the Code, or any other section of the Code which supersedes such section, or for any other reason determined by the committee, in its sole discretion, including without limitation the absence or insufficiency of appropriate facilities, equipment, personnel, computer systems or other resources or administrative procedures for processing withdrawals.

7.10 Qualified Domestic Relations Orders.

(a) The payments or other benefits which a Participant is entitled to receive pursuant to this Plan shall be paid in accordance with the applicable requirements of any Qualified Domestic Relations Order.

(b) Treatment of Spouse. To the extent provided in any Qualified Domestic Relations Order the former spouse of a Participant shall be treated as a surviving spouse of such Participant for purposes of Beneficiary designation pursuant to Section 2.5 hereof.

(c) Procedures Upon Receipt of Domestic Relations Order. Upon receipt of any Domestic Relations Order by the Plan:

(1) The Committee shall promptly notify the Participant and any other Alternate Payee of the receipt of such order and the Plan's procedures for determining the qualified status of Domestic Relations Orders.

(2) Within a reasonable period after receipt of such order, the Committee shall determine whether such order is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of such determination. The Committee shall establish reasonable procedures in accordance with section 206(d) of ERISA and regulations thereunder to determine the qualified status of Domestic Relations Orders and to administer distributions under a Qualified Domestic Relations Order.

(3) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined (by the Committee, by a court of competent jurisdiction, or otherwise), the Committee shall segregate in any manner it deems appropriate the amounts which would have been payable to the Alternate Payee during such period if the Order had been determined to be a Qualified Domestic Relations Order.

(4) If within 18 months from the date the first payment would have been required to be paid under the Domestic Relations Order, the order (or modification thereof) is determined to be a Qualified Domestic Relations Order, the Plan shall pay the segregated amounts (plus any interest thereon) to the person or persons entitled thereto.

(5) If within 18 months from the date the first payment would have been required to be paid under the Domestic Relations Order, it is determined that the Order is not a Qualified Domestic Relations Order, or the issue as to whether such Order is a Qualified Domestic Relations Order is not resolved, then the Plan shall pay the segregated amounts (plus any interest thereon) to the person or persons who would have been entitled to such amount if there had been no Order.

(6) Any determination that an order is a Qualified Domestic Relations Order which is made after the close of the 18.month period from the date the first payment would have been required to be paid under the Domestic Relations Order shall be applied prospectively only.

7.11 Direct Rollover. Notwithstanding any provision of this Plan to the contrary, a Distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

ARTICLE VIII - FUNDING

8.1 Funding Policy and Method. The procedure for establishing and carrying out a funding policy and method consistent with the objectives of this Plan and the requirements of Title I of ERISA shall be as follows:

(a) Establishment of Funding Policy and Method. The Board of Directors shall establish, and may from time to time amend, a funding policy and method for the Plan consistent with the objectives of the Plan and the requirements of Title I of ERISA.

(b) Carrying Out the Funding Policy and Method. The Committee shall communicate the funding policy and method and any amendments thereto to the Trustee, and any other person the Board of Directors may consider appropriate to carry out the funding policy and method. The Committee and Trustee shall each comply with such portions of the funding policy and method as shall be applicable to their activities with respect to the Trust. In particular, the Trustee shall so comply with respect to investing and reinvesting the assets of the Depository Fund and Participant Investment Funds but the Trustee shall have no responsibility for the establishment, amendment, or adequacy of the funding policy and method.

8.2 Reliance on Documents. In establishing and from time to time amending the funding policy and method, the Board of Directors shall be entitled to rely upon, and shall incur no liability in reliance upon statements, tables, evaluations, estimates, certificates, reports and opinions furnished by the Committee, the Trustee or any accountant or legal counsel for the Employers, except as otherwise required by Part 4 of Title I of ERISA.

ARTICLE IX - BOARD OF DIRECTORS

9.1 Administration. The Board of Directors shall have the responsibility for reviewing the results of the Trustee's performance under the Trust Agreement.

9.2 Expenses. The members of the Board of Directors shall receive no compensation for the discharge of their duties hereunder. Expenses of the Board of Directors or a committee appointed by the Board of Directors incurred in connection with the administration of the Plan, shall be expenses of the Plan and shall constitute a charge upon the Trust Fund in accordance with Article XI, but may be paid by the Employers if, as and when the Employers, in their sole discretion, deem such payment to be advisable.

ARTICLE X - RTIS EMPLOYEE BENEFITS ADMINISTRATION COMMITTEE

10.1 Administration. The RTIS Employee Benefits Administration Committee shall be the administrator of the Plan, shall be charged with the administration of the Plan and payment to Participants or Beneficiaries entitled hereunder, and shall have such powers as may be necessary and appropriate for such purposes, including but not by way of limitation, performance of duties required of plan administrators under ERISA, defense of lawsuits and conduct of litigation in the name of the Plan (subject to the approval of the general counsel of RTIS), the power to interpret and construe this Plan where it concerns questions of eligibility, of status, and subject to the opportunity for review of denied claims pursuant to Section 10.6 hereof, rights of Participants and others hereunder, of the amount allocated under the Plan to the Cash or Deferred Account of any Participant, of the value of any share or other benefit, and in general decide any dispute arising under this Plan. In all such cases the determination of the Committee shall be final and conclusive with respect to Participants and Beneficiaries. The Committee shall have the responsibility for reporting the results of the Trustee's performance under the Trust Agreement to the Participants.

10.2 Number and Selection. The Committee shall be composed of a minimum of three Participants from time to time appointed by the Board of Directors.

10.3 Action by Majority. All action of the Committee shall be by a majority of the persons then comprising the committee. Such action may be taken at a meeting of the committee or without a meeting by a resolution or memorandum signed by all the members. No member of the committee shall be entitled to vote or decide upon any matter pertaining to himself individually but such matter shall be determined by the remaining members of the committee.

10.4 Organization. The Committee shall appoint one of its members as chairman and shall appoint a secretary, and may appoint one or more assistant secretaries and one or more other agents as it shall determine, none of whom need be a member of the Committee but any of whom may be an officer or Employee of an Employer. It may delegate to any agent such duties and powers and pay him such compensation as it deems appropriate. It may authorize one or more of its members, officers, or agents to sign in its behalf all reporting and disclosure forms required to be filed with any governmental agency or instrumentality, and it may designate agents for service of process against the Plan. In addition, it may authorize one or more of its members, officers, or agents to sign in its behalf any instructions to the Trustee and the Trustee shall be fully protected in acting thereon and in assuming that the person holding such office or acting as such agent continues in that capacity until otherwise advised in writing by the Committee. It shall keep a record of all of its proceedings.

10.5 Accounts of Participants. The Committee shall maintain records of all accounts of Participants and such other records and data as may be necessary and appropriate for the proper administration of the Plan and to determine the amounts distributable to Participants and Beneficiaries. In the event any Participant or Beneficiary who is entitled to receive any payment from the Trust is, at the time of such payment, a minor, mentally incompetent or, in the opinion of the Committee, under any other legal disability, the Committee may direct such payment to the legal guardian or parent of such person or to any person having the apparent custody or control of such Beneficiary or Participant and such payment shall fully acquit and discharge all parties hereto.

10.6 Rules and Regulations. The Committee may adopt and promulgate such rules and regulations as it may deem appropriate for the administration of the Plan. The Committee shall adopt and promulgate written rules governing claims procedures reasonably calculated to (i) provide adequate written notice to any Participant or Beneficiary whose claim for share or other benefits under the Plan has been denied, setting forth the specific reasons for such denial, and (ii) afford a reasonable opportunity to such Participant or Beneficiary for a full and fair review by the Committee of the decision denying the claim. The determination of the Committee upon such review shall be final and conclusive.

10.7 Reliance on Documents. The Committee shall be entitled to rely upon and shall have no liability in relying upon, except as otherwise required by Part 4 of Title I of ERISA, any representation made to it by an Employer or any Employee, upon any paper or document believed by it to be genuine and to have been signed or sent by the proper person.

10.8 Expenses of the Committee. The members of the Committee shall receive no compensation for the discharge of their duties as such members. Expenses of such committee shall be expenses of the Plan and shall constitute a charge upon the Trust Fund in accordance with Article XI, but may be paid by the Employers if, as and when the Employers, in their sole discretion, deem such payment advisable.

10.9 Non-Liability. No member of the Board of Directors (or any committee appointed by the Board of Directors), nor of the Committee shall be liable for any act done or omitted by him except for his or her own willful misconduct, and except as otherwise required by Part 4 of Title I of ERISA.

10.10 Resignation or Removal. Any member of the Committee may resign by giving written notice to the Board of Directors and may be removed by the Board of Directors for any reason whatsoever by giving written notice to the member of the Committee. Upon the death, resignation, removal or inability of any member of the Committee to act as such member, the Board of Directors shall appoint a successor.

ARTICLE XI - PLAN AND TRUST EXPENSES

11.1 Expenses of Administering the Cash or Deferred Account. The expenses incurred by the Trustee, the Board of Directors (or any committee appointed by the Board of Directors) and the Committee for each Plan Year in connection with the administration of the Plan and the Trust Fund, including such compensation of the Trustee as may be agreed upon from time to time between the Board of Directors and the Trustee, and all other proper charges and expenses of the Trustee, computed on an accrual basis, shall constitute a charge upon and shall be paid by the Trustee out of the Trust Fund, but may be paid by the Employers if, as and when the Employers, in their sole discretion, deem such payment to be advisable. For purposes of this Section 11.1, expenses of the Board of Directors (or any committee appointed by the Board of Directors) and the Committee which are paid by the Trustee, either directly or by way of reimbursement to any Employer shall be considered as expenses incurred by the Trustee.

ARTICLE XII - THE TRUST FUND

12.1 Trust Fund. The Trust Fund shall be held and administered by the Trustee in accordance with the provisions of the Trust Agreement, and the Trustee shall have such powers, duties and responsibilities, as may be set forth in the Trust Agreement and this Plan.

12.2 Trustee. The number of Trustees shall be as may be fixed from time to time by the Board of Directors. Fidelity Management Trust Company shall be the initial Trustee under this restatement and shall serve as Trustee until its successor shall be appointed by the Board of Directors. Thereafter, the Board of Directors shall appoint as Trustee one or more individuals, trust corporations or national banks having trust powers, in which event any such Trustee shall continue to serve until a successor shall be appointed by the Board.

12.3 Resignation and Removal. Any Trustee may resign at any time by giving written notice to the Board of Directors, and may be removed at any time by the Board of Directors for any reason whatsoever by giving notice to the Trustee. Upon the death, resignation, removal, or inability of a Trustee to act, the Board of Directors shall appoint a successor Trustee.

12.4 Trustee's Determinations Conclusive. Subject to Article VIII hereof, the Trustee shall determine from time to time the manner in which the Depository Fund and the Participant Income Fund shall be invested. All such determinations by the Trustee shall be final and conclusive.

12.5 Acquisition of Raytheon Stock. Raytheon Stock may be acquired by the Trustee from any source, including without limitation, any Employer or any Raytheon stockholder. If the Trustee elects to purchase Raytheon Stock from an Employer, it shall be purchased at a price which is equal to the simple average of the high and the low prices of Raytheon Stock on the composite tape on the date of purchase (or if there shall be no trading on such date, then on the first previous date on which there is such trading).

12.6 Determination and Report of Investment Funds Values. The Trustee shall determine and report to the Committee the aggregate value of all Participant accounts and of any amounts contained in the Depository Fund (hereinafter in this Section referred to as "investment funds") as of the end of each month during the Plan Year. All investment funds shall be valued as of the end of each Trading Day. The value of an investment fund shall be the sum of the value, determined pursuant to the principles set forth in Section 5.5 above, of each item of property in the investment fund reduced by the sum of the accrued liabilities owing by the investment fund.

ARTICLE XIII - MISCELLANEOUS PROVISIONS

13.1 No Interest in Employer. No Employer shall have any interest in any of the assets of the Trust Fund and in no event shall any income or corpus of the Trust Fund revert to the Employer or be used for or devoted to purposes other than the exclusive benefit of the Participants.

13.2 No Right to Employment. Nothing contained in this agreement shall be construed to give any Employee any right to employment or to continued employment.

13.3 Spendthrift. Except as provided in Article VI and Section 7.10 hereof, no interest of any Participant or spouse or of any Beneficiary in any part of the Trust Fund shall be subject to sale, assignment, hypothecation, or transfer by the Participant, spouse or Beneficiary, and each Participant, spouse and Beneficiary is hereby prohibited from anticipating, encumbering, assigning or in any manner alienating his or her interest under this Plan, and is and shall be without power so to do; nor shall the interest of any Participant, spouse or Beneficiary be liable or subject to his or her debts, liabilities or obligations, nor shall the same or any part thereof be subject to any judgment, execution, attachment, garnishment or other legal process against such Participants, spouse or Beneficiary and all of the payments or other benefits which any Participant, spouse or Beneficiary from time to time may be entitled to receive under this Plan shall be payable only to such Participant, spouse or Beneficiary.

13.4 Mergers. In the event of a merger, consolidation, or other reorganization as a result of which an Employer shall continue as an existing corporation, no Employee acquired as a result of such transaction shall be eligible to become a Participant except as a new Employee, unless otherwise provided in the agreement of merger, consolidation or other reorganization.

13.5 Records of Employers Conclusive. The records of any Employer as to the employment, classification of employment, severance of employment, re-employment, Leave of Absence, return to employment and the cause of unemployment or termination of any Employee shall be final and conclusive upon all parties.

13.6 Separate Trust Funds. Notwithstanding any provision of this Plan to the contrary, the Board of Directors may establish one or more additional separate trust funds for the purpose of holding and administering all or a portion of the assets under this Plan. The Board of Directors shall select the trustee or trustees of each such separate trust fund and shall determine the provisions of the trust agreement. Any trustee or trustees of each such separate trust fund are authorized to receive all or any portion of a contribution from any Employer and any Participant and any Employer is authorized to pay all or any portion of any contribution to any such trustee or trustees of any such separate trust fund. Upon the direction of the Board of Directors, the Trustee shall transfer and pay over all or any part of the property held by it to such other trustee or trustees. Upon the making of any such transfer or payment, the trustee shall be fully relieved and discharged with respect to such transfer or payment, and shall have no further responsibility with respect to the application thereof. The Trustee is authorized to receive such property constituting assets held under this Plan as may be paid or delivered to it from time to time by any other trustee or trustees.

13.7 Multiple Fiduciary Capacities. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan (including, but not by way of limitation, service both as a Trustee and administrator).

13.8 Employment of Advisers. Any person serving in a fiduciary capacity with respect to the Plan may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan. The expense of such employment shall be expenses of the Plan and shall be a charge upon the Trust Fund in accordance with Article XI, but may be paid by the Employers if, as and when the Employers, in their sole discretion, deem such payment to be advisable.

13.9 Delegation of Fiduciary Responsibilities. Any fiduciary named in the Plan or Trust Agreement may delegate his or her fiduciary responsibilities (other than any responsibility provided in the Trust Agreement to manage or control the Trust Fund) to another person. The fiduciary who has so delegated his or her responsibilities shall not be liable for an act or omission of the person to whom such responsibilities have been delegated, except as otherwise required by Part 4 of Title I of ERISA.

13.10 Plan Mergers. In the event of a merger or consolidation of this Plan with, or a transfer of assets and liabilities of this Plan to, any other plan, the benefits each Participant would receive immediately after the merger, consolidation or transfer (if this Plan or such other plan then terminated) shall be at least equal to the benefits he would have received under this Plan immediately before the merger, consolidation or transfer (if this Plan had then terminated).

ARTICLE XIV - AMENDMENT, TERMINATION AND SUSPENSION OF CONTRIBUTIONS

14.1 Amendment.

(a) The Employers jointly, and each Employer with reference to the fund from time to time held for the benefit of its Employees and with respect to its Employer contributions and contributions of its Employees, separately, reserve the power to change, amend, modify, or alter any of the provisions of this Plan at any time or to transfer the funds or part thereof to a new trust fund for the Participants' benefit except that no such amendment, modification, or alteration shall be exercised retroactively to alter or change the rights of Participants or their Beneficiaries insofar as they relate to past contributions, nor subject to the provisions of Article XIV and Section 4.5(b) hereof, shall any such amendment vest in any Employer any right, title or interest in and to any assets of the Trust Fund, divest any Participant of any credit theretofore entered in his or her Cash or Deferred Account or permit any part of the assets to be used for or diverted to purposes other than for the exclusive benefit of Participants and their Beneficiaries. No amendment shall require approval by the shareholders of any Employer. No amendment which affects the powers, duties or responsibilities of the Trustee shall be effective until consented to in writing by the Trustee.

(b) Should any amendment to this Plan amend the vesting schedule, a Participant whose nonforfeitable percentage of his or her accrued benefit derived from Employer contributions is determined under such schedule and who has at least three years of service with an Employer, may elect to have the nonforfeitable percentage of his or her accrued benefit derived from Employer contributions determined without regard to such amendment. Such election must be made during the period beginning with the date the amended is adopted and ending no earlier than the latest of the following dates:

(1) the date which is 60 days after the day the amendment was adopted;

(2) the date which is 60 days after the day the plan amendment becomes effective;
or

(3) the date which is 60 days after the day the participant is issued written notice of the plan amendment by the Employer or plan administrator.

14.2 Termination. The Employers or any Employer insofar as it is concerned may discontinue this Plan or any Plan Account by giving written notice to the Committee and to the Trustee. In the event of a complete discontinuance or a termination or partial termination within the meaning of section 411(d)(3) of the Code and the regulations thereunder, or in the event of the dissolution of any corporation or party hereto (except the dissolution of a subsidiary whose parent is a party hereto), or in the case of adjudication of any such

corporation as a bankrupt, or the loss of the corporate existence of any such corporation, or a merger into another corporation or corporations which shall not assume the obligations of this Plan, the Plan or the discontinued Plan Account shall terminate as to the affected Participants and the portion of the assets then comprising the Trust Fund allocable to such Participants, as determined by the Committee, shall be distributed among all such Participants in proportion to their interest. Employee CODA Contributions shall be distributed as in accordance with the provisions contained in section 401(k)(10) of the Code.

ARTICLE XV - TENDER OFFERS FOR RAYTHEON STOCK

15.1 Applicability. Notwithstanding any provision of this Plan to the contrary, the provisions of this Article XV shall apply in the event of a Tender Offer. The Trustee may not sell, offer to sell, exchange or otherwise dispose of Raytheon Stock pursuant to a Tender Offer except as provided in this Article XV.

15.2 Directions to Trustee. Each Participant may direct the Trustee to sell, offer to sell, exchange or otherwise dispose of Allocated Stock in accordance with the provisions, conditions and terms of such Tender Offer and the provisions of this Article XV. Such directions from Participants shall be confidential and shall not be divulged by the Trustee to anyone, including the Employers or any director, officer, Employee or agent of the Employers, it being the intent of this Section 15.2 to ensure that the Employers (and their directors, officers, Employees and agents) cannot determine the direction given by any Participant. Such directions shall be in such form and shall be filed in such manner and at such time as the Trustee may prescribe. The confidentiality provision of this Section shall likewise apply to the decisions of the Trustee made pursuant to Section 15.4 hereof.

15.3 Trustee Action On Participant Directions. The Trustee shall sell, offer to sell, exchange or otherwise dispose of Allocated Stock pursuant to a Tender Offer with respect to which it has received directions from Participants to do so under this Article XV. The proceeds of a disposition of Allocated Stock directed by a Participant from his or her Plan Accounts under this Article XV shall be allocated to the Participant's Plan Accounts from which the Raytheon Stock was taken and shall be governed by the provisions of Section 15.5 hereof. To the extent Participants do not validly direct the Trustee to sell, offer to sell, exchange or otherwise dispose of Allocated Stock pursuant to a Tender Offer, the Trustee shall not sell, offer to sell, exchange or otherwise dispose of such shares pursuant to such Tender Offer.

15.4 Trustee Action on Unallocated Raytheon Stock. The Trustee shall sell, offer to sell, exchange or otherwise dispose of only that number of shares of Unallocated Raytheon Stock that bears the same ratio to the total of all shares of Unallocated Raytheon Stock as the number of shares of Allocated Stock for which the Trustee has received valid directions from Participants to sell, offer to sell, exchange or otherwise dispose of bears to the total number of shares of Allocated Stock in the Plan Accounts of Participants. The proceeds of a disposition of Unallocated Raytheon Stock shall be held by the Trustee and invested in accordance with the provisions of Section 15.5 hereof.

15.5 Investment of Plan Assets after Tender Offer. Following the sale, exchange or other disposition of Raytheon Stock by the Trustee pursuant to a Tender Offer and in accordance with this Article XV, the following provisions shall apply.

(a) In the event that, immediately following completion of the Tender Offer, Raytheon Stock is no longer a "Qualifying Employer Security" (as defined by ERISA), the Trustee shall retain any new Qualifying Employer Securities received pursuant to such sale, exchange or other disposition and invest the other proceeds from such sale, exchange or other disposition in new Qualifying Employer Securities to the extent available as soon as practicable.

(b) In the event that, immediately following completion of the Tender Offer, Raytheon Stock continues to be a Qualifying Employer Security, then the Trustee shall invest the proceeds from such sale, exchange or other disposition in accordance with the investment provisions of this Plan applicable to the Plan Accounts from which the Raytheon Stock was sold, exchanged or disposed of.

(c) Pending the investment of the proceeds from a sale, exchange or other disposition of Raytheon Stock in accordance with this Section 15.5, or in the event Qualifying Employer Securities do not exist or are not available, the proceeds from such sale, exchange or other disposition of Raytheon Stock shall be invested in such manner as the Trustee (or investment manager appointed by the Board of Directors for such purpose) in its discretion shall from time to time determine.

ARTICLE XVI - TOP-HEAVY PROVISIONS

16.1 General. The provisions of this Article XVI shall apply if and only if the Plan shall become Top-Heavy with respect to a Plan Year. In the event the Plan is determined to be Top-Heavy with respect to a Plan Year, the provisions of this Article XVI shall apply during such Plan Year in lieu of any conflicting provisions set forth elsewhere in the Plan with respect to benefit accrual, vesting, entitlement to benefits, commencement of benefit payments, and rights of Participants or others under this Plan. None of the provisions set forth in this Article XVI shall apply to benefit accrual, vesting, entitlement to benefits, commencement of benefit payments, and rights of Participants or others during any Plan Year with respect to which this Plan is not determined to be Top-Heavy, regardless of whether such Plan Year occurs before or after a Plan Year with respect to which this Plan is determined to be Top-Heavy, provided, however, that any benefit accrual, vesting, entitlement to benefits, commencement of benefit payments, or rights of Participants or others which are protected under sections 411(a)(10) and 411(d)(6) of the Code which accrue during any Plan Year with respect to which this Plan is determined to be Top-Heavy, shall not be reduced thereafter.

16.2 Minimum Employer Contributions.

(a) The minimum amount of CODA Contributions pursuant to the Plan for each Participant who is not a Key Employee and who does not participate in a defined benefit plan maintained by the Employer or an Affiliated Company of RTIS which is qualified under section 401(a) of the Code shall be not less than three percent of such Participant's Compensation during the Plan Year, but such percent shall be reduced, if necessary, to a percent not exceeding the percent of Compensation (disregarding any Compensation in excess of $150,000) contributed under theCash or Deferred Account and any other salary reduction agreement for the Participant who is the Key Employee during such Plan Year receiving the highest contributions and Forfeitures from the Cash or Deferred Account or any other salary reduction agreement for the Plan Year. For purposes of determining the highest rate allocated to a Key Employee for a year in which the plan is Top-Heavy under section 416 of the Code, Employer CODA Contributions must be included in determining the percentage. When providing for the minimum contribution hereunder pursuant to section 416(c) of the Code, the Employer CODA Contributions made on behalf of non-Key Employees shall not be considered.

(b) For purposes of this Section, the term "Compensation" shall have the meaning set forth for such term in Section 2.35 hereof. For purposes of determining if the minimum contributions set forth herein have been made in any Plan Year, all Employer contributions made for participants in all U.S. tax qualified defined contribution plans maintained by RTIS and its Subsidiaries shall be added to the contributions made for Participants pursuant to this Plan. Notwithstanding the foregoing, if the Employer maintains more than one plan which is Top-Heavy, each Employee covered under both a defined contribution plan and a defined benefit plan which are top-heavy will receive the defined benefit minimum contribution in the defined benefit plan offset by the benefits provided under this and any other Top-Heavy defined contribution plan, provided that if the provisions of Section 16.4 hereof do not apply, i.e., 1.0 is not substituted for 1.25, then the defined benefit minimum contribution will be increased by one percentage point (to a maximum of 10 percentage points) per year of service.

16.3 Top-Heavy. The Plan shall be "Top-Heavy" during a Plan Year if, as of the Determination Date, the aggregate of the accounts of all Participants who are Key Employees exceeds 60 percent of the aggregate of the accounts of all Participants. For purposes of determining if the foregoing condition is met:

(a) the present value of the cumulative accrued benefits of all participants in all U.S. tax qualified defined benefit plans, and the aggregate of the accounts of all participants in all U.S. tax qualified defined contribution plans, maintained by RTIS or any subsidiary of RTIS in which a Key Employee is a participant and all plans in the Required Aggregation Group shall be added to the aggregate of all accounts under this Plan;

(b) all distributions made to participants under this Plan and all such other plans during the five-year period ending on the Determination Date shall be included;

(c) rollover contributions to this Plan or any other plan described in this paragraph initiated by a participant shall be excluded;

(d) the accrued benefits and accounts of any participant who has performed no services for an Employer under this or any such other plan during the five-year period ending on the Determination Date shall be disregarded; and

(e) a participant who was a Key Employee on the Determination Date but who ceased to be a Key Employee in the following Plan Year shall not be considered a Key Employee for purposes of the determination.

16.4 Limitations on Annual Additions. "1.0" shall be substituted for "1.25" in the definitions of the terms "Defined Benefit Fraction" and "Defined Contribution Fraction" unless (i) the requirements in Section 16.3 hereof are met when the provisions of such Section 16.2 hereof are applied by substituting "four percent" for "three percent" therein and (ii) this Plan would not be Top-Heavy if "90 percent" were substituted for "60 percent" in Section 16.3 hereof.

This Plan shall be effective as of July 11, 1997, subject to the approval of the Internal Revenue Service.

IN WITNESS WHEREOF, this instrument is executed as of the 11th day of July, 1997.

RAYTHEON TI SYSTEMS, INC.

By:

EXHIBIT 4.9

RAYTHEON SALARIED SAVINGS AND INVESTMENT PLAN (10011)

Effective December 18, 1997

ARTICLE I
Establishment of the Plan

1.1 Establishment of the Plan. The Raytheon Salaried Savings and Investment Plan (10011) (the "Plan"), which is effective December 18, 1997, provides Participants with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Plan and set aside for the short-term and long-term needs of the Participants. The Plan also provides retirement benefits for Participants or their Beneficiaries in the event a Participant becomes disabled or dies before retirement. It is intended that the Plan will comply with all of the requirements for a qualified profit sharing plan under sections 401(a) and 401(k) of the Code and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in ARTICLE XIV unless the context indicates otherwise. The Plan is intended to constitute a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations, 2550.404(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan and the Plan Fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a Participant or Beneficiary.

1.2 Trust. The Trust shall be the sole source of benefits under the Plan and the Adopting Employers or any Affiliate shall not have any liability for the adequacy of the benefits provided under the Plan.

1.3 Effective Date. The Plan shall be effective as of December 18, 1997, or such other dates as may be specifically provided herein or as otherwise required by law for the Plan to satisfy the requirements of section 401(a) of the Code.

1.4 Adoption of Plan. With the prior approval of the Board of Directors or an officer of the Company authorized by the Board of Directors to give such approval, the Plan and Trust may be adopted by any corporation (hereinafter referred to as an Adopting Employer). Such adoption shall be made by the Adopting Employer filing with the Administrator and Trustee a certified copy of a board of directors (or equivalent) resolution adopting the Plan and Trust. The Administrator may require the Adopting Employer to take such further actions as it deems appropriate to the proper adoption and operation of the Plan and Trust. In the event of the adoption of the Plan and Trust by an Adopting Employer, the Plan and Trust shall be interpreted in a manner consistent with such adoption.

1.5 Withdrawal of Adopting Employer.

(a) An Adopting Employer's adoption of this Plan may be terminated, voluntarily or involuntarily, at any time, as provided in this section.

(b) An Adopting Employer shall withdraw from the Plan and Trust if the Plan and Trust, with respect to that Adopting Employer, fail to qualify under sections 401(a) and 501(a) of the Code (or, in the opinion of the Administrator, they may fail to so qualify) and the continued sponsorship of that Adopting Employer may jeopardize the status with respect to the Company or the remaining Adopting Employers, of the Plan and Trust under sections 401(a) and 501(a) of the Code. The Adopting Emp shall receive at least thirty (30) days prior written notice of a withdrawal under this subsection, unless a shorter period is agreed to.

(c) An Adopting Employer may voluntarily withdraw from the Plan and Trust for any reason. Such withdrawal requires at least thirty (30) days written notice to the Administrator and the Trustee, unless a shorter period is agreed to.

(d) Upon withdrawal, the Trustee shall segregate the assets attributable to Employees of the withdrawn Adopting Employer, the amount thereof to be determined by the Administrator and the Trustee. The segregated assets shall be held, paid to another trust, distributed or otherwise disposed of as is appropriate under the circumstances; provided, however, that any transfer shall be for the exclusive benefit of Participants and their Beneficiaries. A withdrawal of an Adopting Employer from the Plan is not necessarily a termination under ARTICLE XII. If the withdrawal is a termination, then the provisions of ARTICLE XII shall also be applicable.

ARTICLE II
Eligibility

2.1 Eligibility Requirements. Each Employee who is an Eligible Employee on the Effective Date shall begin participation in this Plan on the Effective Date. Each Eligible Employee who transfers to an Adopting Employer from General Motors Corporation or one of its affiliates after the Effective Date and before December 1, 1998, and who immediately prior to such transfer was a participant in the Hughes Salaried Employees' Thrift and Savings Plan, shall begin participation in this Plan on the date of such transfer. Each other Eligible Employee and any person who subsequently becomes an Eligible Employee may join the Plan as of the first Pay Period coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on his or her Employment Commencement Date.

2.2 Procedure for Joining the Plan. Each Eligible Employee who meets the requirements of section 2.1 may join the Plan by communicating with the Recordkeeper in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Eligible Employee has designated: a percentage by which his or her Compensation shall be reduced as an Elective Deferral in accordance with the requirements of section 3.3, subject to the nondiscrimination test described in section 3.10; election of investment funds as described in ARTICLE IV; one or more Beneficiaries; and such other information as specified by the Recordkeeper. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator, in its discretion, may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.3 Transfer Between Adopting Employers to Position Covered by Plan. A Participant who is transferred to a position with another Adopting Employer in which the Participant remains an Eligible Employee will continue as an active Participant of the Plan.

2.4 Transfer to Position Not Covered by Plan. If a Participant is transferred to a position with an Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan wit respect to Elective Deferrals previously made but shall no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with the Recordkeeper and providing all of the information requested by the Recordkeeper. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by the Recordkeeper of the requested information.

2.5 Transfer to Position Covered by Plan. If an Employee who is not eligible to participate in the Plan by reason of his or her position with an Employer is transferred to a position that is eligible to participate in the Plan, all service performed as an Employee in such noneligible position shall be treated as a Period of Service for purposes of this ARTICLE.

2.6 Treatment of Qualified Military Service. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with section 414(u) of the Code.

ARTICLE III
Contributions

3.1 Matching Contributions. (a) (1) Each Adopting Employer shall, in its discretion, make Matching Contributions with regard to Elective Deferrals and Employee After-Tax Contributions made by its Eligible Employees during a Plan Year. Each Adopting Employer shall, in its discretion, determine both the percentage rate of the Elective Deferrals and Employee After-Tax Contributions that will be matched and any limits on the maximum Matching Contributions that will be made for any Participant. Matching Contributions will be made in such form as is specified in subsection (b).

(2) Unless otherwise specified by an Adopting Employer, each Adopting Employer shall make Matching Contributions equal in value to one hundred percent (100%) of the total Elective Deferrals and Employee After-Tax Contributions made during that Plan Year by each Participant who is an Eligible Employee of that Adopting Employer, but the total of such Matching Contributions for any Participant shall not exceed four percent (4%) of a Participant's Compensation from that Adopting Emp for that Plan Year.

(3) An Adopting Employer shall not make any Matching Contributions under subsection (a) for any Participant employed in connection with contracts governed by the Service Contract Act of 1965.

(b) The Matching Contribution under subsection (a) shall be made in either Common Stock or cash that is invested in Common Stock. The number of shares of Common Stock contributed by the Adopting Employer or acquired with Matching Contributions under subsection (a) shall be allocated to the Participant's Account by the Trustee and such allocation shall equal the number of shares of Common Stock which the Trustee could have purchased for the Participant at the Current Market Value. Such Matching Contribution shall remain invested in Common Stock until the end of two (2) full Plan Years following the Plan Year for which such contributions or deferrals are made.

3.2 Qualified Nonelective Contributions. Each Plan Year the Adopting Employers may contribute to the Trust such amounts as determined by the Board of Directors in its sole discretion. Any amounts contributed under this subsection are to be designated by the Adopting Employers as Qualified Nonelective Contributions.

3.3 Elective Deferrals. (a) A Participant may authorize the Adopting Employer to reduce his or her Compensation on a pre-tax basis and to correspondingly contribute to the Plan an amount equal to any whole percentage of Compensation that does not exceed twelve percent (12%) of his or her Compensation for that Plan Year.

(b) A Participant shall not be permitted to defer his or her Compensation under subsection (a) during any calendar year in excess of nine thousand five hundred dollars ($9,500) (or such amount as may be permitted in accordance with regulations issued under section 415(d)(1) of the Code).

3.4 Employee After-Tax Contributions. A Participant may authorize the Adopting Employer to reduce his or her Compensation on an after-tax basis and to correspondingly contribute to the Plan an amount equal to any whole percentage of Compensation that does not exceed twelve percent (12%) of his or her Compensation for that Plan Year.

3.5 Change in Elective Deferrals. Except as provided in section 3.10, any Participant may change his or her Elective Deferral or Employee After-Tax Contribution percentage to increase or decrease said percentage by notifying the Recordkeeper, such change to take effect as of the next administratively feasible Pay Period.

3.6 Forfeitures. (a) In the event that a Participant incurs a Severance from Service before attaining a Nonforfeitable right to his or her Matching Contributions, the Matching Contribution Account will be forfeited as of the first day of the month immediately following the earliest of: (i) the date on which the Participant incurs a Period of Severance of five (5) consecutive years; (ii) death; or (iii) the date on which the Participant's Elective Deferral Account is distributed in accordance with ARTICLE VI. Forfeitures of Matching Contributions will be used to reduce future contributions of the Adopting Employers to the Plan.

(b) If, in connection with his or her Severance from Service, a Participant received a distribution of his or her Elective Deferral Account when he or she did not have a Nonforfeitable right to his or her Matching Contribution Account, the Matching Contributions that were forfeited, unadjusted by any subsequent gains or losses, shall be restored if he or she again becomes an Employee before incurring a Period of Severance of five (5) consecutive years, performs an Hour of Service, and r the full value of his or her prior distributions, unadjusted for subsequent gains and losses, before the first to occur of (i) the end of the five- (5) year period beginning with the date he or she again becomes an Employee or (ii) the date on which he or she incurs a Period of Severance of five (5) consecutive years.

3.7 Rollover Contributions and Transfers.

(a) Participants may transfer into the Plan qualifying rollover amounts (as defined in section 402 of the Code) received from other qualified plans (provided that no federal income tax has been required to have been paid previously on such amounts); or rollover contributions from an individual retirement account described in section 408(d)(3)(A)(ii) of the Code (referred to herein as a "conduit IRA"), subject to the following conditions:

(1) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from another qualified plan or, in the event that the funds are transferred from a conduit IRA, no later than sixty (60) days from the date that the Participant receives such funds from the individual retirement account;

(2) the amount of such Rollover Contributions shall not exceed the limitations set forth in section 402 of the Code;

(3) the Rollover Contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to ARTICLE VII;

(4) the Rollover Contributions may be distributed at the request of the Participant, subject to the same administrative procedures as apply to other distributions;

(5) the Rollover Contributions transferred pursuant to this section 3.7(a) shall be credited to the Participant's Rollover Contribution Account and will be invested upon receipt by the Trustee;

(6) a Rollover Contribution will not be accepted unless (A) the Employee on whose behalf the Rollover Contribution will be made is either a Participant or an Eligible Employee who has notified the Administrator that he or she intends to become a Participant on the first date on which he or she is eligible therefor, and (B) all required information, including selection of specific investment accounts, is provided to the Recordkeeper - when a Rollover Contribution has been deposit any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in sections 4.2 and 4.3; and

(7) under no circumstances shall the Administrator accept as a Rollover Contribution amounts which have previously been subject to federal income tax.

(b)(1) The Plan shall accept a transfer of assets, including elective transfers in accordance with Treas. Regs. section 1.411(d)-4 Q&A-3(b), directly from another plan qualified under section 401(a) of the Code only if the Administrator, in its sole discretion, agrees to accept such a transfer. In determining whether to accept such a transfer, the Administrator shall consider the administrative inconvenience engendered by such a transfer and any risks to the continued qualification Plan under section 401(a) of the Code. Acceptance of any such transfer shall not preclude the Administrator from refusing any such subsequent transfers.

(2) Any transfer of assets accepted under this subsection shall be separately accounted for at all times and shall remain subject to the provisions of the transferor plan (as it existed at the time of such transfer) to the extent required by section 411(d)(6) of the Code (including, but not limited to, any rights to qualified joint and survivor annuities and qualified preretirement survivor annuities) as if such provisions were part of the Plan. In all other respects, however, transferred assets will be subject to the provisions of the Plan. The Administrator may, but is not required to, describe in Exhibit B to this Plan the special provisions that must be preserved under section 411(d)(6) of the Code, if any, following the transfer of assets from another plan in accordance with this subsection.

(3) Assets accepted under this section shall be fully vested and nonforfeitable.

(4) Eligible Employees who were active participants in the Hughes Salaried Employees' Thrift and Savings Plan immediately prior to the Effective Date may elect to transfer their entire vested account balances in such plan, including after-tax contributions, to the Plan in accordance with this section 3.7(b).

3.8 Refund of Contributions to the Adopting Employers. Notwithstanding the provisions of ARTICLE XII, if, or to the extent that, any Adopting Employers' deductions for contributions made to the Plan are disallowed, such Adopting Employer will have the right to obtain the return of any such contributions for a period of one (1) year from the date of disallowance. For this purpose, all contributions are made, other than Employee After-Tax Contributions, subject to the condition that they are deductible under the Code for the taxable year of the Adopting Employers for which the contributions are made. Furthermore, any contribution made on the basis of a mistake in fact may be returned to the Adopting Employers within one (1) year from the date such contribution was made.

3.9 Payment. The Adopting Employers shall pay to the Trustee in U.S. currency, or by other property acceptable to the Trustee, all contributions for each Plan Year within the time prescribed by law, including extensions granted by the Internal Revenue Service, for filing the federal income tax return of the Company for its taxable year in which such Plan Year ends. Unless designated by the Adopting Employers as nondeductible, all contributions made, other than Employee After-Tax Contributions, shall be deemed to be conditioned on their current deductibility under section 404 of the Code.

3.10 Limits for Highly Compensated.

(a) Elective Deferrals, Employee After-Tax Contributions, Matching Contributions and Qualified Nonelective Contributions allocable to the Accounts of Highly Compensated Employees shall not in any Plan Year exceed the limits specified in this section. The Administrator may make the adjustments authorized in this section to ensure that the limits of subsection (b) (or any other applicable limits) are not exceeded, regardless of whether such adjustments affect some Participants more than others. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code

(b)(1) The Actual Deferral Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A) one hundred twenty-five percent (125%) of the Actual Deferral Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Deferral Percentage for all other Eligible Participants or the Actual Deferral Percentage for the other Eligible Participants plus two (2) percentage points.

(2) The Actual Contribution Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A)one hundred twenty five percent (125%) of the Actual Contribution Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Contribution Percentage for all other Eligible Participants or the Actual Contribution Percentage for the other Eligible Participants plus two (2) percentage points.

(3) The sum of the Actual Deferral Percentage and the Actual Contribution Percentage for the Highly Compensated Employees shall not exceed, in any Plan Year, the sum of:

(A) one hundred twenty-five percent (125%) of the greater of:

(i) the Actual Deferral Percentage of the other Eligible Participants; or

(ii) the Actual Contribution Percentage of the other Eligible Participants; and

(B) two plus the lesser of:

(i) the amount in paragraph (3)(A)(i); or

(ii) the amount in paragraph (3)(A)(ii); provided that the amount in this paragraph (3)(B) shall not exceed two hundred percent (200%) of the lesser of the amount in paragraph (3)(A)(i) or the amount in paragraph (3)(A)(ii).

(4) The limitations under section 3.10(b)(3) shall be modified to reflect any higher limitations provided by the Internal Revenue Service under regulations, notices or other official statements.

(c) The following terms shall have the meanings specified:

(1) Actual Contribution Percentage. The average of the ratios for a designated group of Employees (calculated separately for each Eligible Participant in the group) of the sum of the Matching Contributions, Employee After-Tax Contributions, Qualified Nonelective Contributions (other than those treated as part of the Actual Deferral Percentage), and Elective Deferrals (other than those treated as part of the Actual Deferral Percentage) allocated for the applicable year on behalf of the Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Contribution Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Contribution Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(2) Actual Deferral Percentage. The average of the ratios for a designated group of Eligible Participants (calculated separately for each Eligible Participant in the group) of the sum of the Elective Deferrals and Qualified Nonelective Contributions (other than those treated as part of the Actual Contribution Percentage) allocated for the applicable year on behalf of a Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Deferral Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Deferral Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(3) Compensation. The Employee's wages that are required to be reported on IRS Form W-2, increased by any Elective Deferrals made by the Employer on behalf of the Employee under this Plan or any other plan of the Employer with a qualified cash or deferred arrangement under section 401(k) of the Code and any pre-tax elective contributions made by the Employer that are excludible from the Employee's income under section 125 of the Code.

(4) Eligible Participant. Any Employee of an Adopting Employer who is authorized under the terms of the Plan to make Elective Deferrals or have Qualified Nonelective Contributions allocated to his or her Account for the Plan Year.
(d) For purposes of determining whether a plan satisfies the Actual Contribution Percentage test of section 401(m), all employee and matching contributions that are made under two (2) or more plans that are aggregated for purposes of sections 401(a)(4) and 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(m), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(e) In calculating the Actual Contribution Percentage for purposes of section 401(m), the actual contribution ratio of a Highly Compensated Employee will be determined by treating all plans subject to section 401(m) under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single plan.

(f) For purposes of determining whether a plan satisfies the Actual Deferral Percentage test of section 401(k), all elective contributions that are made under two (2) or more plans that are aggregated for purposes of section 401(a)(4) or 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(k), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(g) In calculating the Actual Deferral Percentage for purposes of section 401(k), the actual deferral ratio of a Highly Compensated Employee will be determined by treating all cash or deferred arrangements under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single arrangement.

(h) An elective contribution will be taken into account under the Actual Deferral Percentage test of section 401(k)(3)(A) of the Code for a Plan Year only if it is allocated to the Employee as of a date within that Plan Year. For this purpose, an elective contribution is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date and the elective contribution is actually paid to the Trust no later than twelve (12) months after the Plan Year to which the contribution relates.

3.11 Correction of Excess Contributions.

(a) Excess Contributions shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Contributions as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) An Adopting Employer may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest Compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Contributions or Excess Deferrals (whether Elective Deferrals or Qualified Nonelective Contributions) allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may recharacterize any or all Excess Contributions for a Plan Year as Employee After-Tax Contributions in accordance with the provisions of this subsection. Any Excess Contributions that are so recharacterized shall be treated as if the Participant had elected to instead receive cash Compensation on the earliest date that any Elective Deferral made on behalf of the Participant during the Plan Year would have been received had the Participant originally elected to receive such amount in cash and then contributed such amount as an Employee After-Tax Contribution. To the extent required by the Internal Revenue Service, however, such recharacterized Excess Contributions shall continue to be treated as if such amounts were not recharacterized.

(2) The Administrator shall report any recharacterized Excess Contributions as Employee After-Tax Contributions to the Internal Revenue Service and to the affected Participants at such times and in accordance with such procedures as are required by the Internal Revenue Service. The Administrator shall take such other actions regarding the amounts so recharacterized as may be required by the Internal Revenue Service.

(3) Excess Contributions may not be recharacterized under this subsection more than two and one-half (21/2) months after the close of the Plan Year to which the recharacterization relates. Recharacterization is deemed to occur when the Participant is so notified (as required by the Internal Revenue Service).

(4) The amount of Excess Contributions to be distributed or recharacterized shall be reduced by Excess Deferrals previously distributed for the taxable year ending in the same Plan Year and Excess Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan beginning in such taxable year.

(f) (1) The Administrator may distribute any or all Excess Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. In the event of the termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2)(A) The income allocable to Excess Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to Elective Deferrals (and amounts treated as Elective Deferrals) by a fraction, the numerator of which is the Excess Contributions by the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to Elective Deferrals (and amounts treated as Elective Deferrals) as of the beginning of the Plan Year, increased by any Elective Deferrals (and amounts treated as Elective Deferrals) by the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's subaccounts in the following order:

(A) from the Participant's Elective Deferral Account (if such Excess Contribution is attributable to Elective Deferrals); and

(B) from the Participant's Qualified Nonelective Contribution Account (if such Excess Contribution is attributable to Qualified Nonelective Contributions).

(g) (1) The term "Excess Contributions" shall mean, with respect to a Plan Year, the excess of the Elective Deferrals (including any Qualified Nonelective Contributions and Matching Contributions that are treated as Elective Deferrals under sections 401(k)(2) and 401(k)(3) of the Code) on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code. For this purpose, the maximum amount of contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code shall be determined in accordance with the leveling method prescribed in Treas. Regs. section 1.401(k)-1(f)(2), or such other method as promulgated thereafter.

(2) Any distribution or recharacterization of Excess Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed or recharacterized to the extent required to eliminate the Excess Contributions or, if it results in a lower distribution or recharacterization, to the extent required to cause such Highly Compensated Employees' contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Contributions are completely distributed or recharacterized.

(3) The amount of Excess Contributions to be distributed or recharacterized shall be reduced by Excess Deferrals previously distributed for the taxable year ending in the same Plan Year and Excess Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan beginning in such taxable year.

3.12 Correction of Excess Deferrals.

(a) Excess Deferrals shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Deferrals as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. A distribution of an Excess Deferral under this section may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code. This section shall be administered and interpreted in accordance with sections 401(k) and 402(g) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made before the close of the Applicable Taxable Year. Distributions under this subsection include income allocable to the Excess Distribution so distributed, as determined under this subsection.

(2) Distribution under this subsection shall only be made if all the following conditions are satisfied:

(A) the Participant seeking the distribution designates the distribution as an Excess Deferral;

(B) the distribution is made after the date the Excess Deferral is received by the Plan; and

(C) the Plan designates the distribution as a distribution of an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under subsection (d)(3), except that income shall only be determined for the period from the beginning of the Applicable Taxable Year to the date on which the distribution is made.

(d) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made after the close of the Applicable Taxable Year. Distribution under this subsection shall only be made if the Participant timely provides the notice required under subsection (d)(2) and such distribution is made after the Applicable Taxable Year and before the first April 15 following the close of the Applicable Taxable Year. Distributions under this subsection shall include income allocable to the Excess Deferrals so distributed, as determined under this subsection.

(2) Any Participant seeking a distribution of an Excess Deferral in accordance with this subsection must notify the Administrator of such request no later than the first March 15 following the close of the Applicable Taxable Year. The Administrator may agree to accept notification received after such date (but before the first April 15 following the close of the Applicable Taxable Year) if it determines that it would still be administratively practicable to make such distribution in view of the delayed notification. The notification required by this subsection shall be deemed made if a Participant's Elective Deferrals to the Plan in any Plan Year create an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under section 3.11(f)(2), except that the term "Excess Deferrals" shall be substituted for "Excess Contributions" and the term "Applicable Taxable Year" shall be substituted for "Plan Year." The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection.

(e) The following terms shall have the meanings specified:

(1) Applicable Taxable Year. The taxable year (for federal income tax purposes) of the Participant in which an Excess Deferral must be included in gross income (when made) in accordance with section 402(g) of the Code.

(2) Excess Deferral. A Participant's Elective Deferrals (and other contributions limited by section 402(g) of the Code), for an Applicable Taxable Year that are in excess of the limits imposed by section 402(g) of the Code for such Applicable Taxable Year.

3.13 Correction of Excess Aggregate Contributions.

(a) Excess Aggregate Contributions shall be corrected as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed to a Participant.

(c) (1) The Company may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Aggregate Contributions allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may forfeit any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. The amounts so forfeited shall not include any amounts that are nonforfeitable under ARTICLE V. (2) Any forfeitures under this subsection shall be made in accordance with the procedures for distributions under subsection (f) except that such amounts shall be forfeited instead of being distributed.

(f) (1) The Administrator may distribute any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. Such distributions shall be specifically designated by the Administrator as a distribution of Excess Aggregate Contributions. In the event of the complete termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Aggregate Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2) (A) The income allocable to Excess Aggregate Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to employee contributions, matching contributions and amounts treated as matching contributions by a fraction, the numerator of which is the Excess Aggregate Contributions for the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to employee contributions, matching contributions and amounts treated as matching contributions as of the beginning of the Plan Year, increased by the employee contributions, matching contributions and amounts treated as matching contributions for the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's Account in the following order:

(A) from the Participant's Qualified Nonelective Contribution Account (if such Excess Aggregate Contribution is attributable to Qualified Nonelective Contributions);

(B) from the Participant's Employee After-Tax Contribution Account (if such Excess Aggregate Contribution is attributable to Employee After-Tax Contributions); and

(C) from the Participant's Matching Contribution subaccount (if such Excess Aggregate Contribution is attributable to Matching Contributions).

(g) (1) The term "Excess Aggregate Contributions" shall mean, with respect to a Plan Year, the excess of the aggregate amount of the matching contributions and employee contributions (including any Qualified Nonelective Contributions or elective deferrals taken into account in computing the Actual Contribution Percentage) actually made on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under section 401(m)(2)(A) of the Code. For this purpose, the maximum amount of contributions permitted under section 401(m)(2)(A) of the Code shall be determined in accordance with the leveling method described in section 3.11(g)(1) of the Plan.

(2) Any distribution of Excess Aggregate Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed to the extent required to eliminate the Excess Aggregate Contributions or, if it results in a lower distribution, to the extent required to cause such Highly Compensated Employees' Contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Aggregate Contributions are completely distributed.

(3) The terms "employee contributions" and "matching contributions" shall, for purposes of this section, have the meanings set forth in Treas. Reg. 1.401(m)-1(f).

3.14 Correction of Multiple Use.

(a) If the limitations of Treas. Reg. 1.401(m)-2 are exceeded for any Plan Year, then correction shall be made in accordance with the provisions of this section. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) Any correction required by this section shall be calculated and administered in accordance with the provisions for correcting Excess Contributions (in section 3.11), Excess Aggregate Contributions (in section 3.13) or both, as the Administrator determines in its sole discretion. Any correction required by this section, to the extent possible, shall be made only with respect to those Highly Compensated Employees who are eligible in both the arrangement subject to section 401(k) of the Code and the Plan, as subject to section 401(m) of the Code.

ARTICLE IV
Investment of Accounts

4.1 Election of Investment Funds.

(a) Except as otherwise prescribed in subsections (b) and (c) below, upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Account be invested in increments of one percent (1%) in one or more of the following investment funds:

(1) Fund A. An equity fund designated by the Administrator;

(2) Fund B. A fixed income fund designated by the Administrator;

(3) Fund C. Common Stock fund;

(4) Fund D. A stock index fund designated by the Administrator;

(5) Fund E. A balanced fund designated by the Administrator;

(6) Fund F. A growth fund designated by the Administrator, investing primarily in equities of companies of all types and sizes;

(7) Fund G. A growth fund designated by the Administrator, investing primarily in equities of well-known and established companies;

(8) Fund H. General Motors Class H stock fund;

(9) Fund I. Raytheon Company Class A stock fund.

(b) Amounts contributed to a Participant's Matching Contribution Account must be invested in Fund C (Common Stock fund) until the end of two (2) full Plan Years following the Plan Year for which such contributions are made. Thereafter, a Participant may designate the investment of the Matching Contribution funds in accordance with the provisions of subsection (a) above.

(c) The only assets that may be invested in Fund H or Fund I are the General Motors Class H stock and cash directly transferred from the Hughes Salaried Employee's Thrift and Savings Plan pursuant to section 3.7(b)(4). A Participant may not direct that any other funds in the Participant's Account be invested in Fund H or Fund I. Notwithstanding subsection (d) below, the Administrator shall maintain Fund H and Fund I as investment options under the Plan, subject to the limitations prescribed in this subsection (c), for five (5) complete Plan Years following the Effective Date; provided, however, that if at any time prior to the expiration of such five (5) year period, the aggregate fair market value of the assets invested in either Fund H or Fund I falls below five percent (5%) of the highest fair market value of the assets invested in Fund H or Fund I, respectively, the Administrator may, with six (6) months written notice to affected Participants, eliminate Fund H or Fund I, as applicable, as investment options under the Plan. Notwithstanding the foregoing, the Administrator may eliminate one or both funds at any time if the Administrator determines in good faith that such elimination is necessary under applicable law (including without limitation the prudence requirements of ERISA). When Fund H and Fund I are eliminated in accordance with this section 4.1(c), Participants with assets invested in Fund H or Fund I, as applicable, shall direct the transfer of such assets to other funds available under the Plan or, if no such election is made, the Administrator shall transfer such assets to Fund B or a similar low risk fixed income fund as determined by the Administrator in its discretion.

(d) In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion.

(e) Except as otherwise prescribed in subsections (b) and (c) above, a Participant's investment election will apply to the entire Account of the Participant.

(f) In establishing rules and procedures under section 4.1, the following shall apply:

(1) Each Participant, Beneficiary or Alternate Payee shall affirmatively elect to self-direct the investment of assets in his or her Account, but such election may provide for default investments in the absence of specific directions from such Participant, Beneficiary or Alternate Payee.

(2) The investment directions of a Participant shall continue to apply after that Participant's death or incompetence until the Beneficiary (or, if there is more than one Beneficiary for that Account, all of the Beneficiaries), guardian or other representatives provide contrary direction.

(3) The Administrator may decline to implement investment designations if such investment, in the Administrator's judgment:

(A) would result in a prohibited transaction under section 4975 of the Code;

(B) would generate income taxable to the Trust Fund;

(C) would not be in accordance with the Plan and Trust;

(D) would cause a Fiduciary to maintain the indicia of ownership of any assets of the Trust Fund outside the jurisdiction of the district courts of the United States other than as permitted by section 404(b) of ERISA and Labor Reg. 2550.404(b)-1;

(E) would jeopardize the Plan's tax qualified status under the Code;

(F) could result in a loss in excess of the amount credited to the Account; or

(G) would violate any other requirements of the Code or ERISA.

(4) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator may establish reasonable restrictions on the frequency with which investment directions may be given, consistent with section 404(c) of ERISA.

(5) The Administrator may establish limits on the use of brokers, investment counsel or other advisors that may be utilized, including specifying that all investments must be made through a designated broker or brokers.

(6) The Administrator may establish limits on the types of investments that are permitted.

(g) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator shall establish such rules and procedures as may be advisable or necessary to carry out the provisions of this section, with such rules and procedures being consistent with section 404(c) of ERISA.

(h) The Administrator shall establish such rules and procedures as may be advisable or necessary to reasonably ensure that all transactions involving the investment funds comply with all applicable laws, including the securities laws.

4.2 Change in Investment Allocation of Future Deferrals. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to change the investment allocation of future contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to the Recordkeeper. Any changes must be made either in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3 Transfer of Account Balances Between Investment Funds. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to transfer all or a portion of the amount in his or her Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to the Recordkeeper. In determining the amount of the transfer, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time

(daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to the Recordkeeper.

4.4 Ownership Status of Funds. The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D, E, F, G, H and I and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, in a cash amount and shall reflect each Participant's portion of Funds C, H and I in cash and unitized shares of stock.

4.5 Voting Rights. Participants whose Account has shares of participation in Funds C or I on the last business day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in Funds C and I, as applicable, by the closing price of the respective classes of stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote the Participant's shares as recommended by management. In addition, each Participant shall have the right to accept or reject any tender or exchange offer for shares of the respective classes of stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of the respective classes of stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from an individual Participant shall be held in confidence by the Trustee and shall not be divulged to the Adopting Employers or to any officer or employee thereof or to any other person.

4.6 Allocation of Earnings.

(a)(1) The Administrator, as of each Valuation Date, shall adjust the amounts credited to the Accounts (including Accounts for persons who are no longer Employees) so that the total of such Account balances equals the fair market value of the Trust Fund assets as of such Valuation Date. Except as otherwise provided herein, any changes in the fair market value of the Trust Fund assets since the preceding Valuation Date shall be charged or credited to each Account in the ratio that balance in each such Account as of the preceding Valuation Date bears to the balances in all Accounts as of that Valuation Date with appropriate adjustments to reflect any distributions, allocations or similar adjustments to such Account or Accounts since that Valuation Date.

(2) To the extent that separate investment funds are established (as provided in section 4.1), the adjustments required by subsection (a)(1) shall be made by applying subsection (a)(1) separately for each such investment fund so that any changes in the net worth of each such investment fund are charged or credited to the portion of each Account invested in such investment fund in the ratio that the portion of each such Account invested in such investment fund as of the preceding Valuation Date (reduced by any distributions made from that portion of such Account since that Valuation Date) bears to the total amount credited to such investment funds as of that Valuation Date (reduced by distributions made from such investment fund since that Valuation Date).

(3) Interim valuations, in accordance with the foregoing procedure, may be made at such time or times as the Administrator directs.

(b) The Administrator may, in its sole discretion, direct the Trustee to segregate and separately invest any Trust Fund assets. If any assets are segregated in this fashion, the earnings or losses on such assets shall be determined apart from other Trust assets and shall be adjusted on each Valuation Date, or at such other times as the Administrator deems necessary, in accordance with this section.

ARTICLE V
Vesting

5.1 Elective Deferral, Employee After-Tax Contribution, Rollover Contribution and Qualified Nonelective Contribution Accounts. Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Elective Deferral, Employee After-Tax Contribution, Rollover Contribution and Qualified Nonelective Contribution Accounts.

5.2 Matching Contribution Account.

(a) Each Participant shall have a Nonforfeitable right to his or her Matching Contribution Account upon the earliest of:

(1) the Participant's completion of a Period of Service of five (5) years;

(2) the Participant's completion of a Period of Participation of three (3) years;

(3) the Participant's Retirement, death while an Employee, Disability or attainment of Normal Retirement Age; or

(4) the Participant's Layoff or Severance from Service due to Qualified Military Service.

5.3 Break in Service Rules

(a) Periods of Service. In determining the length of a Period of Service, the Administrator shall include all Periods of Service, except the following Periods of Service shall not be taken into account:

(1) in the case of a Participant who has not made Elective Deferrals to the Plan, the Period of Service before any Period of Severance which equals or exceeds five (5) consecutive years; and

(2) in the case of a Participant who has made Elective Deferrals to the Plan and who has incurred a Period of Severance which equals or exceeds five (5) years, the Period of Service after such Period of Severance shall not be taken into account for purposes of determining the nonforfeitable interest of such Participant in the Matching Contributions allocated to his or her Account before such Period of Severance.

(b) Periods of Severance. In determining the length of a Period of Service for purposes of section 14.40, the Administrator shall include any period of time beginning on an Employee's Severance from Service Date and ending on the date on which he or she is next credited with an Hour of Service, provided that such Hour of Service is credited within the twelve- (12) consecutive month period following such Severance from Service Date.

(c) Other Periods. In making the determinations described in subsections (a) and (b) of this section, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE VI
Withdrawals and Distribution of Benefits

6.1 In-Service Withdrawals - Matching Contributions. Upon completion of a Period of Participation of five (5) years, a Participant may withdraw, subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or part of the Participant's Matching Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.16. Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator will be made in cash; withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or uninvested shares) as directed by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Matching Contribution Account.

6.2 In-Service Withdrawal -- Elective Deferral and Qualified Nonelective Contribution Accounts. While an Employee, a Participant may withdraw all or a portion of his or her Elective Deferral Account and Qualified Nonelective Contribution Account on or after attainment of age fifty-nine and one-half (59-1/2).

6.3 In-Service Withdrawal -- Hardship.

(a) A Participant who has experienced a hardship, as described in this section, may withdraw from his or her Elective Deferral Account amounts attributable to Elective Deferrals (adjusted for net losses, if any). Whether a Participant is entitled to a withdrawal under this section is to be determined by the Administrator in accordance with nondiscriminatory and objective standards. In order to be entitled to a hardship withdrawal under this section, a Participant must satisfy the requirements of both subsection (b) and subsection (c).

(b) A Participant will be deemed to have experienced an immediate and heavy financial need necessary to satisfy the requirements of this subsection if the withdrawal is on account of:

(1) medical expenses described in section 213(d) of the Code incurred by the Participant, the Participant's spouse or any dependents of the Participant;

(2) the purchase (excluding mortgage payments) of a principal resident of the Participant;

(3) payment of tuition for the next twelve (12) months of post-secondary education for the Participant or his or her spouse, children or dependents; or

(4) the need to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage of the Participant's principal residence.

(c) (1) A withdrawal under this subsection will be deemed necessary to satisfy an immediate and heavy financial need of the Participant if it satisfies the requirements of this subsection. To the extent the amount of the withdrawal would be in excess of the amount required to relieve the financial need of the Participant or to the extent such need may be satisfied from other resources that are reasonably available to the Participant, such withdrawal shall not satisfy the requirement of this subsection. For purposes of this subsection, a Participant's resources shall be deemed to include those assets of his or her spouse or minor children that are reasonably available to the Participant.

(2) A withdrawal may be treated as necessary to satisfy a financial need if the Administrator reasonably relies upon the Participant's representation that the need cannot be relieved:

(A) through reimbursement or compensation by insurance or otherwise;

(B) by reasonable liquidation of the Participant's assets to the extent such liquidation would not itself cause an immediate and heavy financial need;

(C) by cessation of Elective Deferrals under the Plan for at least twelve (12) months after receipt of the hardship withdrawal;

(D) by other distributions or nontaxable (at the time of the loan) loans from plans maintained by the Adopting Employers or by any other employer or by borrowing from commercial sources on reasonable commercial terms.

(d) If a Participant receives a withdrawal for reasons of financial hardship, the Participant's Elective Deferrals shall be reduced to four percent (4%) (or such lower percentage as the Participant shall thereafter designate), if in excess thereof as of the date of the distribution, and shall not be increased during the twelve (12) months immediately subsequent to the date of distribution.

(e) Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

(f) Withdrawals will be based upon the value of the Account as determined under section 6.16.

(g) payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal.

(h) Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

(i) Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Elective Deferral Account.

6.4 In-Service Withdrawal -- Rollover Contribution Account. A Participant may withdraw all or a portion of his or her Rollover Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.16. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant. Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

6.5 In-Service Withdrawal -- Employee After-Tax Contributions. A Participant may withdraw all or a portion of his or her Employee After-Tax Contributions. Withdrawals will be based upon the value of the Account as determined under section 6.16. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

6.6 Redeposits Prohibited. No amount withdrawn pursuant to sections 6.1, 6.2, 6.3, 6.4 or 6.5 may be redeposited in the Plan.

6.7 Distribution of Benefits.

(a) All benefits payable under this Plan shall be paid in the manner and at the times specified in this ARTICLE. Any payments to Participants or Beneficiaries shall be made in cash (or cash equivalents) except as otherwise provided herein. Distributions may be made wholly or partly by an in-kind distribution of assets held by the Trust Fund if the distributee consents to such an in-kind distribution and the Administrator determines that such an in-kind distribution is not administratively burdensome.

(b) All payment methods and distributions shall comply with the requirements of sections 401(a)(4) and 401(a)(9) of the Code and the regulations thereunder and, if necessary, shall be interpreted to so comply. The provisions of this ARTICLE apply to all amounts credited to an Account, regardless of the source of such amounts. All distributions shall comply with the incidental death benefit requirement of section 401(a)(9)(G) of the Code. Distributions shall comply with the regulation under section 401(a)(9) of the Code, including Treas. Reg. 1.401(a)(9)-2. The provisions of the Plan reflecting section 401(a)(9) of the Code override any distribution provisions in the Plan inconsistent with section 401(a)(9).

(c) Distribution of the Participant's Account (to which the Participant has a Nonforfeitable right) will be made at the direction of the Participant (or his or her legal representative or Beneficiary in the case of his or her Disability or death) upon the Retirement, Disability, death or Severance from Service of the Participant. In the event the Participant dies or his or her Severance from Service occurs after his or her Normal Retirement Age, or if the value of the Nonforfeitable portion of the Participant's Account as of the Valuation Date which coincides with or immediately precedes the date of distribution is not in excess of three thousand five hundred dollars ($3,500), the Administrator shall cause the distribution to automatically be made.

(d) Payment will be made in the form of a lump-sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right), which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant to the Recordkeeper for the distribution. Distributions will be based upon the value of the Account as determined under section 6.16. Distribution of the amounts in Funds A, B, D, E, F and G (if any), and such other funds as may be established by the Administrator, will be made in cash. Distribution of the amounts in Funds C, H and I (if any) will be made in either cash or stock, at the election of the Participant or, in the case of death, the Participant's Beneficiary. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of his or her Account is to be made, such payment shall be made in a lump-sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary notwithstanding: the Participant's (1) spouse, (2) children and issue of deceased children by right of representation, (3) parents, (4) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (5) executors or administrators. If no Beneficiary can be located during a period of seven (7) years from the date of death, the amount of the distribution shall revert to the Trust and be treated in the same manner as a forfeiture under section 3.6.

(e) If the Participant dies before the time when distribution is considered to have commenced in accordance with applicable regulations, then any remaining portion of the Participant's interest will be distributed within five (5) years after the Participant's death. If a distribution is considered to have commenced in accordance with the applicable regulations before the Participant's death, the remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the Participant's death.

(f) Except as provided by section 401(a)(9) of the Code as set forth in this section, benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(1) attainment by the Participant of Normal Retirement Age;

(2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or

(3) Participant's Severance from Service.

6.8 Mandatory Distributions.

A Participant who has attained age seventy and one-half (701/2) and is subject to the mandatory distribution requirements of section 401(a)(9) shall receive a lump sum distribution of the Participant's Account (to which the Participant has a nonforfeitable right) at the time distributions must commence in order to comply with such requirements. If additional amounts are allocated to the Participant's Account following such lump sum distribution, additional lump sum distributions of the Participant's Account (to which the Participant has a nonforefeitable right) shall be made at such times any mandatory distributions are required to comply with section 401(a)(9). Such payments shall be made notwithstanding any contrary provisions of the Plan or election made by such Participant.

6.9 Commencement of Benefits.

(a) Except as otherwise provided in this ARTICLE, distribution to a Participant (or Beneficiary) shall commence within a reasonable period of time following the Participant's Retirement, Disability, death or Severance from Service.

(b) If the vested amount in the Participant's Account exceeds or ever exceeded three thousand five hundred dollars ($3, 500), then payment to the Participant shall not commence before such Participant has attained age sixty-five (65), unless the Participant requests an earlier distribution. Such request must be made not more than ninety (90) days before the commencement of the distribution.

6.10 Payments to Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is adjudicated to be legally incapable of giving valid receipt and discharge for such benefits, the benefits may be paid to the duly authorized personal representative of such Participant or Beneficiary.

6.11 Income Tax Withholding. To the extent required by section 3405 of the Code, distributions and withdrawals from the Plan shall be subject to federal income tax withholding.

6.12 Direct Rollovers.

(a) A Participant may elect that all or any portion of a distribution that would otherwise be paid as an Eligible Rollover Distribution shall instead be transferred as a Direct Rollover.

(b) (1) The Administrator shall determine and apply rules and procedures as it deems reasonable with respect to Direct Rollovers in addition to, or in lieu of, those set forth in subsection (b)(2). The Administrator may change such rules and procedures from time to time and shall not be bound by any previous rules and procedures it has applied.

(2) Unless otherwise determined by the Administrator, the following rules and procedures shall apply to this section:

(A) A Direct Rollover shall not be permitted to more than one Eligible Retirement Plan.

(B) A Direct Rollover shall not be permitted if it constitutes less than the full amount of the Eligible Rollover Distribution.

(c) The following terms shall have the meanings specified:

(1) Direct Rollover. An available distribution that is paid directly to an Eligible Retirement Plan for the benefit of the distributee.

(2) Distributee. A Participant or former Participant. In addition, the Participant's or former Participant's Surviving Spouse or former spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

(3) Eligible Retirement Plan. An individual retirement account described in section 408(a) of the Code, an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code if such qualified trust is part of a plan that permits acceptance of Direct Rollovers or an annuity plan described in section 403(a) of the Code. In the case of a Direct Rollover for the benefit of the spouse or former spouse of a Participant, the term "Eligible Retirement Plan" shall only include an individual retirement account described in section 408(a) of the Code and an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code.

(1) Eligible Rollover Distribution. Any distribution under the Plan to a Participant, a Participant's spouse or a Participant's former spouse, except for the following:

(A) Any distribution to the extent the distribution is required under section 401(a)(9) of the Code.

(B) The portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation described in section 402(e)(4) of the Code).

(C) Returns of elective deferrals described in Treas. Reg. 1.415-6(b)(6)(iv) that are returned as a result of the limitations under section 415 of the Code.

(D) Corrective distributions of excess contributions and excess deferrals under qualified cash or deferred arrangements as described in Treas. Reg. 1.401(k)-1(f)(4) and 1.402(g)-1(e)(3), respectively, and corrective distributions of excess aggregate contributions as described in Treas. Reg. 1.401(m)-1(e)(3), together with the income allocable to these corrective distributions.

(E)Loans treated as distributions under section 72(p) of the Code and not excepted by section 72(p)(2) of the Code.

(F) Loans in default that are deemed distributions.

(G) Dividends paid on employer securities as described in section 404(k) of the Code.

(H) The costs of life insurance coverage.

(I) Similar items designated by the Internal Revenue Service in revenue rulings, notices, and other guidance of general applicability.

6.13 Notice and Payment Elections.

(a) The Administrator shall provide Participants or other Distributees of Eligible Rollover Distributions with a written notice designed to comply with the requirements of section 402(f) of the Code. Such notice shall be provided within a reasonable period of time before making an Eligible Rollover Distribution.

(b) Any elections concerning the payment of benefits under section 6.7 shall be made on a form prescribed by the Administrator. The Participant or other Distributee shall submit a completed form to the Administrator at least thirty (30) days before payment is scheduled to commence, unless the Administrator agrees to a shorter time period. Any election made under this section shall be revocable until thirty (30) days before payment is scheduled to commence.

(c) An election to have payment made in a Direct Rollover shall only be valid if the Participant or other Distributee provides adequate information to the Administrator for the implementation of such Direct Rollover and such reasonable verification as the Administrator may require that the transferee is an Eligible Retirement Plan.

6.14 Qualified Domestic Relations Orders.

(a) Notwithstanding any contrary provision of the Plan, payments shall be made in accordance with any judgment, decree or order determined to be a Qualified Domestic Relations Order.

(b) (1) If the Plan receives a Domestic Relations Order, the Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and of the Plan's procedures for determining whether such order is a Qualified Domestic Relations Order. The Administrator shall, within a reasonable period after receipt of such order, determine whether it is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of that determination.

(2) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined, the Administrator shall separately account for the amounts that would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order.

(c) (1) A Domestic Relations Order meets the requirements of this subsection only if such order clearly specifies the following:

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order;

(B) the amount or the percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee or the manner in which such amount or percentage is to be determined;

(C) the number of payments or period to which such order applies; and

(D) each plan to which such order applies.

(2) A Domestic Relations Order meets the requirements of this subsection only if such order does not:

(A) require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan;

(B) require the Plan to provide increased benefits (determined on the basis of actuarial value); and

(C) does not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(d) A domestic relations order shall not be treated as failing to meet the requirements of section 6.14(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee:

(1) in the case of any payment before a Participant has separated from service, on or after the date on which the Participant attains (or would have attained) the Earliest Retirement Date;

(2) as if the Participant had retired on the date on which such payment is to begin under such order (but taking into account only the present value of the benefits actually accrued and not taking into account the present value of any employer subsidy for early retirement); and

(3) in any form in which such benefits may be paid under the Plan to the Participant (other than in the form of a qualified joint and survivor annuity with respect to the Alternate Payee and his or her subsequent spouse).

(e) A domestic relations order shall not be treated as failing to meet the requirements of section 6.14(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee at a date before the Participant is entitled to receive a distribution. Such distribution shall be made to such Alternate Payee notwithstanding any contrary provision of the Plan.

(f) The following terms shall have the meanings specified:

(1) Alternate Payee. Any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to benefits under the Plan with respect to such Participant.

(2) Domestic Relations Order. A judgment, decree or order relating to child support, alimony or marital property rights, as defined in section 414(p)(1)(B) of the Code.

(3) Earliest Retirement Date. The earlier of:

(A) the date on which the Participant is entitled to a distribution under the Plan; or

(B) the later of:

(i) the date the Participant attains age fifty (50); or

(ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participantseparated from service.

(4) Qualified Domestic Relations Order. A Domestic Relations Order that satisfies the requirements of subsection (c) and section 414(p)(1)(A) of the Code.

(g) If an Alternate Payee entitled to payment under this section is the spouse or former spouse of a Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion, of such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.12.

(h) If a Domestic Relations Order directs that payment be made to an Alternate Payee before the Participant's Earliest Retirement Date and such Domestic Relations Order otherwise qualifies as a Qualified Domestic Relations Order, then the Domestic Relations Order shall be treated as a Qualified Domestic Relations Order and such payment shall be made to the Alternate Payee, even though the Participant is not entitled to receive a distribution under the Plan because he or she continues to be an Employee of one of the Adopting Employers.

(i) This section shall be interpreted and administered in accordance with section 414(p) of the Code.

6.15 Lost Beneficiary.

(a) All Participants and Beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid.

(b) If any amount is payable to a Participant or Beneficiary who cannot be located to receive such payment, such amount may, at the discretion of the Administrator, be forfeited; provided, however, that if such Participant or Beneficiary subsequently claims the forfeited amount, it shall be reinstated and paid to such Participant or Beneficiary. Such reinstatement may, in the Administrator's sole discretion, be made from Company Contributions, forfeitures or Trust earnings, and shall b treated as a special allocation that supersedes the normal allocation rules.

(c) If the Administrator has not, after due diligence, located a Participant or Beneficiary who is entitled to payment within three (3) years after the Participant's Severance from Service, then, at the discretion of the Administrator, such person may be presumed deceased for purposes of this Plan. Any such presumption of death shall be final, conclusive and binding on all parties.

6.16 Determination of Amount of Withdrawal or Distribution. In determining the amount of any withdrawal or distribution hereunder, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day.

6.17 Offsets. Any transfers or payments made from a Participant's Account to a person other than the Participant pursuant to the provisions of this Plan shall reduce the Participant's Account and offset any amounts otherwise due to such Participant. Such transfers or payments shall not be considered a forfeiture for purposes of the Plan.

ARTICLE VII
Loans

7.1 Availability of Loans. Participants may borrow against all or a portion of the Nonforfeitable balance in the Participant's Account, subject to the limitations set forth in this ARTICLE. Participants who have incurred a Severance from Service will not be eligible for a Plan loan. The Vice President, Human Resources, is authorized to administer this loan program.

7.2 Minimum Amount of Loan. No loan of less than five hundred dollars ($500) will be permitted.

7.3 Maximum Amount of Loan. No loan in excess of fifty percent (50%) of the Participant's Nonforfeitable Account balance will be permitted. In addition, limits imposed by the Internal Revenue Code and any other requirements of applicable statute or regulation will be applied. Under the current requirements of the Internal Revenue Code, if the value of a Participant's Nonforfeitable Account balance exceeds twenty thousand dollars ($20,000), the loan cannot exceed the lesser of one-half (1/2) of the value of the Participant's Nonforfeitable Account balance or fifty thousand dollars ($50,000) reduced by the excess of (a) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan was made over (b) the outstanding balance of loans from the Plan on the date on which such loan was made.

7.4 Effective Date of Loans. Loans will be effective as specified in the Administrator's rules then in effect.

7.5 Repayment Schedule. The Participant may select a repayment schedule of one, two, three, four or five (1, 2, 3, 4 or 5) years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to fifteen (15) years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Adopting Employers, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump-sum. The minimum repayment amount per pay period is ten dollars ($10) for Participants paid weekly and fifty dollars ($50) for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan. Loan repayments will be suspended under this Plan as permitted under section 414(u) of the Code.

7.6 Limit on Number of Loans. No more than two (2) loans may be outstanding at any time.

7.7 Interest Rate. The interest rate for a loan pursuant to this ARTICLE will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective at any time during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective at any time during the period January 1 through June 30 thereafter.

7.8 Effect Upon Participant's Elective Deferral Account. Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Account in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Matching Contribution Account; Elective Deferral Account; Rollover Contribution Account; and Employee After-Tax Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in the reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9 Effect of Severance From Service and Nonpayment. In the event that a loan remains outstanding upon the Severance from Service of a Participant, the Participant will be given the option of continuing to repay the outstanding loan. In any case where payments on the outstanding loan are not made within ninety (90) days of the Participant's Severance from Service Date, the amount of any unpaid principal will be deducted from the Participant's account and reported as a distribution. If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after the Participant returns to active employment with the Employer, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension. In the event the Participant does not return to active employment with the Employer, the Participant will be given the option of continuing to repay the outstanding loan. If the Participant fails to resume payments on the loan, the outstanding loan will be reported as a taxable distribution. In no event, however, shall the loan be deducted from the Participant's Account earlier than the date on which the Participant (i) incurs a Severance from Service, or, (ii) attains age fifty-nine and one-half (59-1/2).

ARTICLE VIII
Contribution and Benefit Limitations

8.1 Contribution Limits.

(a) The Annual Additions that may be allocated to a Participant's Account for any Limitation Year shall not exceed the lesser of:

(1) thirty thousand dollars ($30,000); or

(2) twenty-five percent (25%) of the Participant's Compensation for that Limitation Year.

(b) If the Employer maintains any other Defined Contribution Plans then the limitations in subsection (a) shall be computed with reference to the aggregate Annual Additions for each Participant from all such Defined Contribution Plans.

(c) If the Annual Additions for a Participant would exceed the limits specified in this section, then the Annual Additions under this Plan for that Participant shall be reduced to the extent necessary to prevent such limits from being exceeded. Such reduction shall be made in accordance with section 8.4.

8.2 Overall Limits.

(a) If a Participant is participating in both a Defined Contribution Plan and a Defined Benefit Plan of the Employer, then the sum of the Defined Contribution Fraction and the Defined Benefit Fraction for any Limitation Year shall not exceed 1.0.

(b) If the sum of the Defined Contribution Fraction and the Defined Benefit Fraction would exceed 1.0, then the annual benefits under the Defined Benefit Plan shall be reduced to the extent necessary so that the sum of such fractions does not exceed 1.0.

8.3 Annual Adjustments to Limits. The dollar limits for Annual Additions and the dollar limits in the Defined Benefit Fraction and Defined Contribution Fraction shall be adjusted for cost-of-living to the extent permitted under section 415 of the Code.

8.4 Excess Amounts.

(a) The foregoing limits shall be limits on the allocation that may be made to a Participant's Account in any Limitation Year. If an excess Annual Addition would otherwise result from allocation of forfeitures, reasonable errors in determining Compensation or other comparable reasons, then the Administrator may take any (or all) of the following steps to prevent the excess Annual Additions from being allocated:

(1) return any contributions from the Participant, as long as such return is nondiscriminatory;

(2) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against Matching Contributions for that Participant made in succeeding years;

(3) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against succeeding year Matching Contributions;

(4) reallocate the excess amounts to other Participants.

(b) Any suspense account established under this section shall not be credited with income or loss unless otherwise directed by the Administrator. If a suspense account under this section is to be applied in a subsequent Limitation Year, then the amounts in the suspense account shall be applied before any Annual Additions (other than forfeitures) are made for such Limitation Year.

8.5 Definitions.

(a) The following terms shall have the meanings specified:

(1) Annual Addition. The sum for any Limitation Year of additions (not including Rollover Contributions) to a Participant's Account as a result of:

(A) Employer contributions (including Matching Contributions, Qualified Nonelective Contributions and Elective Deferrals);

(B) Employee contributions;

(C) forfeitures; and

(D) amounts described in Code sections 415(l)(1) and 419A(d)(2).

(2) Defined Benefit Fraction. A fraction, the numerator of which is the Projected Annual Benefit of the Participant under all Defined Benefit Plans of the Employer (determined as of the close of the Limitation Year) and the denominator of which is the Projected Annual Benefit the Participant would have under such plans (determined as of the close of the Limitation Year) if such plans provided an annual benefit equal to the lesser of:

(A) the product of 1.25 multiplied by ninety thousand dollars ($90,000); or

(B) the product of 1.4 multiplied by one hundred percent (100%) of the Participant's average Compensation for the Participant's three (3) consecutive Years of Service that produce the highest average Compensation.

For purposes of determining the Defined Benefit Fraction of a Participant who was employed by an Adopting Employer on December 18, 1997 or who transferred to an Adopting Company from General Motors Corporation or one of its affiliates after such date and before December 1, 1998, service for and Compensation received from General Motors Corporation and its affiliates, if any, shall be taken into account, and the Projected Annual Benefit under any Defined Benefit Plan of the Employer shall not be reduced as a result of the transfer of any assets or liabilities from a Defined Benefit Plan maintained by General Motors Corporation and its affiliates.

(3) Defined Benefit Plan. Any plan qualified under section 401(a) of the Code that is not a Defined Contribution Plan.

(4) Defined Contribution Fraction. A fraction, the numerator of which is the sum of the Annual Additions to the Participant's Accounts as of the close of the Limitation Year, and the denominator of which is equal to the sum of the lesser of the following amounts determined for such Limitation Year and for each prior year of service with the Employer:

(A) the product of 1.25 multiplied by thirty thousand dollars ($30,000); or

(B) the product of 1.4 multiplied by twenty-five percent (25%) of the Participant's Compensation.

For purposes of determining the Defined Contribution Fraction of a Participant, services performed for, Compensation paid by and Annual Additions made by General Motors Corporation or any of its affiliates shall not be taken into account.

(5) Defined Contribution Plan. A plan qualified under section 401(a) of the Code that provides an individual account for each Participant and benefits based solely on the amount contributed to the Participant's Account, plus any income, expenses, gains and losses, and forfeitures of other Participants which may be allocated to such Participant's account.

(6) Limitation Year. The Plan Year, until the Employer adopts a different Limitation Year.

(7) Projected Annual Benefit. The annual benefit to which a Participant would be entitled, assuming:

(A) the Participant continues in employment until Normal Retirement Age under the Plan;

(B) the Participant's Compensation for the Limitation Year remains the same until such Normal Retirement Age; and

(C) all other relevant factors under the Plan for the Limitation Year will remain constant.

(b) For purposes of this ARTICLE, the term "Compensation" shall mean all amounts paid to an Employee for personal services actually rendered to the Employer, including, but not limited to, wages, salary, commissions, bonuses, overtime and other premium pay as specified in Reg. 1.415-2(d)(2), but excluding deferred compensation, stock options, and other distributions that receive special tax treatment as specified in Reg. 1.415-2(d)(3). For Plan Years beginning after 1997, Compensation for this purpose shall include salary reduction amounts under section 125 cafeteria plans and section 401(k), 403(b) and 457 plans. This definition shall be interpreted in a manner consistent with the requirements of section 415 of the Code.

ARTICLE IX
Top-Heavy Rules

9.1 General. This ARTICLE shall only be applicable if the Plan becomes a Top-Heavy Plan under section 416 of the Code. If the Plan does not become a Top-Heavy Plan, then none of the provisions of this ARTICLE shall be operative. The provisions of this ARTICLE shall be interpreted and applied in a manner consistent with the requirements of section 416 of the Code and the regulations thereunder.

9.2 Vesting.

(a) If the Plan becomes a Top-Heavy Plan, then amounts in a Participant's Account attributable to Matching Contributions shall be vested in accordance with this section, in lieu of ARTICLE V, to the extent this section produces a greater degree of vesting. This section shall only apply to Participants who have at least an Hour of Service after the Plan becomes a Top-Heavy Plan.

(b) If applicable, amounts in a Participant's Account attributable to Matching Contributions shall vest as follows:

Years of Top Heavy Service	Vested Percentage
Fewer than 3	0%
3 or more	100%

(c) If the Plan ceases to be a Top-Heavy Plan then subsection (b) shall no longer be applicable; provided, however, that in no event shall the vested percentage of any Participant be reduced by reason of the Plan ceasing to be a Top-Heavy Plan. Subsection (b) shall nevertheless continue to apply for any Participant who was previously covered by it and who has at least three (3) Years of Top-Heavy Service.

9.3 Minimum Contribution.

(a) For each Plan Year that the Plan is a Top-Heavy Plan, the Adopting Employers shall make a contribution to be allocated directly to the Account of each Non-Key Employee.

(b) The amount of the contribution (and forfeitures) required to be contributed and allocated for a Plan Year by this section is three percent (3%) of the Top-Heavy Compensation for that Plan Year of each Non-Key Employee who is both a Participant and an Employee on the last day of the Plan Year for which the contribution is made, with adjustments as provided herein. If the contribution allocated to the Accounts of each Key Employee for a Plan Year is less than three percent (3%) of his/her Top-Heavy Compensation, then the contribution required by the preceding sentence shall be reduced for that Plan Year to the same percentage of Top-Heavy Compensation that was allocated to the Account of the Key Employee whose Account received the greatest allocation of contributions for that Plan Year, when computed as a percentage of Top-Heavy Compensation.

(c) The contribution required by this section shall be reduced for a Plan Year to the extent of any contributions made and allocated under this Plan or any other contributions from the Adopting Employers made and allocated under this or any other Aggregated Plans. Elective Deferrals shall be treated as if they were contributions for purposes of determining any minimum contributions required under subsection (b).

9.4 Definitions.

(a) The following terms shall have the meanings specified herein:

(1) Aggregated Plans.

(A) The Plan, any plan that is part of a "required aggregation group" and any plan that is part of a "permissive aggregation group" that the Adopting Employers treat as an Aggregated Plan.

(B) The "required aggregation group" consists of each plan of the Adopting Employers in which a Key Employee participates (in the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years) and each other plan of the Adopting Employers which enables any plan of the Adopting Employers in which a Key Employee participates to meet the requirements of section 401(a)(4) or section 410(b) of the Code. Also included in the required aggregation group shall be any terminated plan that covered a Key Employee and was maintained within the five (5) year period ending on the Determination Date.

(C) The "permissive aggregation group" consists of any plan not included in the "required aggregation group" if the Aggregated Plan described in subparagraph (A) above would continue to meet the requirements of section 401(a)(4) and 410 of the Code with such additional plan being taken into account.

(2) Determination Date. The last day of the preceding Plan Year, or, in the case of the first plan year of any plan, the last day of such plan year. The computations made on the Determination Date shall utilize information from the immediately preceding Valuation Date.

(3) Key Employee.

(A) An Employee (or former Employee) who, at any time during the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years, is:

(i) An officer of one of the Adopting Employers with annual Top-Heavy Compensation for the Plan Year greater than fifty percent (50%) of the amount in effect under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(ii) one of the ten (10) Employees owning (or considered as owning under section 318 of the Code) the largest interest in one of the Adopting Employers, who has more than one-half of one percent (.5%) interest in such Adopting Employer, and who has annual Top-Heavy Compensation for the Plan Year at least equal to the maximum dollar limitation under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(iii) a five percent (5%) or greater shareholder in one of the Adopting Employers; or

(iv) a one percent (1%) shareholder in one of the Adopting Employers with annual Top-Heavy Compensation from the Adopting Employer of more than one hundred fifty thousand dollars ($150,000).

(B) For purposes of paragraphs (3)(A)(iii) and (3)(A)(iv), the rules of section 414(b), (c) and (m) of the Code shall not apply. Beneficiaries of an Employee shall acquire the character of such Employee and inherited benefits will retain the character of the benefits of the Employee who performed services.

(4) Non-Key Employee. Any Employee who is not a Key Employee.

(5) Super Top-Heavy Plan. A Top-Heavy Plan in which the sum of the present value of the cumulative accrued benefits and accounts for Key Employees exceeds ninety percent (90%) of the comparable sum determined for all Employees. The foregoing determination shall be made in the same manner as the determination of a Top-Heavy Plan under this section.

(6) Top-Heavy Compensation. The term Top-Heavy Compensation shall have the same meaning as the term Compensation has under section 8.5(b).

(7) Top-Heavy Plan. The Plan is a Top-Heavy Plan for a Plan Year if, as of the Determination Date for that Plan Year, the sum of (i) the present value of the cumulative accrued benefits for Key Employees under all Defined Benefit Plans that are Aggregated Plans and (ii) the aggregate of the accounts of Key Employees under all Defined Contribution Plans that are Aggregated Plans exceeds sixty percent (60%) of the comparable sum determined for all Employees.

(8) Years of Top-Heavy Service. The number of Years of Service with the Adopting Employers that might be counted under section 411(a) of the Code, disregarding all service that may be disregarded under section 411(a)(4) of the Code.

(b) The definitions in this section and the provisions of this ARTICLE shall be interpreted in a manner consistent with section 416 of the Code.

9.5 Special Rules.

(a) For purposes of determining the present value of the cumulative accrued benefit for any Participant or the amount of the Account of any Participant, such present value or amount shall be increased by the aggregate distributions made with respect to such Participant under the Plan during the Plan Year that includes the Determination Date and the four (4) preceding Plan Years (if such amounts would otherwise have been omitted).

(b) (1) In the case of unrelated rollovers and transfers, (i) the plan making the distribution or transfer is to count the distribution as a distribution under section 416(g)(3) of the Code, and (ii) the plan accepting the rollover or transfer is not to consider the rollover or transfer as part of the accrued benefit if such rollover or transfer was accepted after December 31, 1983, but is to consider it as part of the accrued benefit if such rollover or transfer was accepted before January 1, 1984. For this purpose, rollovers and transfers are to be considered unrelated if they are both initiated by the Employee and made from a plan maintained by one employer to a plan maintained by another employer.

(2) In the case of related rollovers and transfers, the plan making the distribution or transfer is not to count the distribution or transfer under section 416(g)(3) of the Code, and the plan accepting the rollover or transfer counts the rollover or transfer in the present value of the accrued benefits. For this purpose, rollovers and transfers are to be considered related if they are not unrelated under subsection (b)(1).

(c) If any individual is a Non-Key Employee with respect to any plan for any Plan Year, but such individual was a Key Employee with respect to such plan for any prior Plan Year, any accrued benefit for such Employee (and the account of such Employee) shall not be taken into account.

(d) Beneficiaries of Key Employees and former Key Employees are considered to be Key Employees and Beneficiaries of Non-Key Employees and former Non-Key Employees are considered to be Non-Key Employees.

(e) The accrued benefit of an Employee who has not performed any service for the Adopting Employer maintaining the Plan at any time during the five (5) year period ending on the Determination Date is excluded from the calculation to determine top-heaviness. However, if an Employee performs no services, such Employee's total accrued benefit is included in the calculation for top-heaviness.

9.6 Adjustment of Limitations.

(a) If this section is applicable, then the contribution and benefit limitations in section 8.5 shall be reduced. Such reduction shall be made by modifying section 8.5(a)(2)(A) of the definition of Defined Benefit Fraction to instead be "(i) the product of 1.0 multiplied by ninety thousand dollars ($90,000), or" and by modifying section 8.5(a)(4)(A) of the definition of Defined Contribution Fraction to instead be "(i) the product of 1.0 multiplied by thirty thousand dollars ($30,000), or

(b) This section shall be applicable for any Plan Year in which either:

(1) the Plan is a Super Top-Heavy Plan, or

(2) the Plan both is a Top-Heavy Plan (but not a Super Top-Heavy Plan) and provides contributions (and forfeitures) to the Account of any Non-Key Employee in an amount less than four percent (4%) of such Participant's Top-Heavy Compensation, as determined in accordance with section 9.3(b).

ARTICLE X
The Trust Fund

10.1 Trust. During the period in which this Plan remains in existence, the Company or any successor thereto shall maintain in effect a Trust with a corporation and/or individual(s) as Trustee, to hold, invest, and distribute the Trust Fund in accordance with the terms of such Trust.

10.2 Investment of Accounts. The Trustee shall invest and reinvest the Participant's accounts in investment options as defined in section 4.1 as directed by the Administrator or its delegate. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in accordance with sections 4.2 and 4.3.

10.3 Expenses. Expenses of the Plan and Trust shall be paid from the Trust.

ARTICLE XI
Administration of The Plan

11.1 General Administration. The general administration of the Plan shall be the responsibility of the Company (or any successor thereto) which shall be the Administrator and named Fiduciary for purposes of ERISA. The Company shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in this ARTICLE. All such determinations of the Company shall be conclusive and binding on all persons.

11.2 Responsibilities of the Administrator. Except as otherwise provided in ERISA, the Administrator (and any other named Fiduciaries) may allocate any duties and responsibilities under the Plan and Trust among themselves in any mutually agreed upon manner. Such allocation shall be in a written document signed by the Administrator (and any other named Fiduciaries) and shall specifically set forth this allocation of duties and responsibilities, which may include the following:

(a) Determination of all questions which may arise under the Plan with respect to questions of fact and law and eligibility for participation and administration of Accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of Accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the Offices of the Executive Vice President - Chief Financial Officer, the Senior Vice President Treasurer, the Director of Tax Affairs, the Vice President General Counsel, and the Vice President - Human Resources, respectively, for advice and counsel.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing Account balances, designation of Beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the government as required by law.

(f) Appointment of a Trustee or Trustees, Recordkeepers, and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

11.3 Liability for Acts of Other Fiduciaries. Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his or her specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his or her assumption of Fiduciary status or after his or her termination from such status.

11.4 Employment by Fiduciaries. Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

11.5 Recordkeeping. The Administrator shall keep or cause to be kept any necessary data required for determining the Account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

11.6 Claims Review Procedure.

(a) The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

(1) Step 1. Claims with respect to an Account should be filed by a claimant as soon as practicable after the claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose Account is at issue, by mailing a copy of the claim to the Benefits and Services Department

Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173.

(2) Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

(3) Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in subsection (a)(1).

(4) Step 4. Within thirty (30) days following receipt of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

(b) The Administrator is the Fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

11.7 Indemnification of Directors and Employees. The Adopting Employers shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or Employee of the Employer, his or her heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his or her capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Adopting Employers may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Adopting Employers.

11.8 Immunity from Liability. Except to the extent that section 410(a) of ERISA prohibits the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed under Title I, Subtitle B, Part 4, of said Act, an officer, Employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XII
Amendment Or Termination Of Plan

12.1 Right to Amend or Terminate Plan. Each of the Adopting Employers reserves the right at any time or times, by action of its board of directors, to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a certified copy of the resolution of the board of directors, authorizing such modification, amendment or termination shall be delivered to the Trustee and to the other Adopting Employers whose Employees are covered by this Plan, provided, however, that no amendment to the Plan shall be made which shall:

(a) reduce any vested right or interest to which any Participant or Beneficiary is then entitled under this Plan or otherwise reduce the vested rights of a Participant in violation of section 411(d)(6) of the Code;

(b) vest in the Adopting Employers any interest or control over any assets of the Trust;

(c) cause any assets of the Trust to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries; or

(d) change any of the rights, duties or powers of the Trustee without its written consent.

(e) Notwithstanding the foregoing provisions of this section or any other provisions of this Plan, any modification or amendment of the Plan may be made retroactively if necessary or appropriate to conform the Plan with, or to satisfy the conditions of, ERISA, the Code, or any other law, governmental regulation or ruling. Any termination, modification or amendment of the Plan shall be subject to approval by the Board of Directors. In the alternative, subject to the conditions prescribed in subsections 12.1(a) through (e), the Plan may be amended by an officer of the Company authorized by the Board of Directors to amend the Plan, provided, however, that any such amendment does not, in the view of such officer, materially increase costs of the Plan to the Company or any Adopting Employer.

12.2 Amendment to Vesting Schedule. Any amendment that modifies the vesting provisions of ARTICLE IV shall either:

(a) provide for a rate of vesting that is at least as rapid for any Participant as the vesting schedule previously in effect; or

(b) provide that any adversely affected Participant with a Period of Service of at least three (3) years may elect, in writing, to remain under the vesting schedule in effect prior to the amendment. Such election must be made within sixty (60) days after the later of the:

(1) adoption of the amendment;

(2) effective date of the amendment; or

(3) issuance by the Company of written notice of the amendment.

12.3 Maintenance of Plan. The Company has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the Company is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time.

12.4 Termination of Plan and Trust. The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Company specifying the date as of which the Plan and Trust shall terminate; or

(b) Adjudication of the Company as bankrupt or general assignment by the Company to or for the benefit of creditors or dissolution of the Company.

12.5 Distribution on Termination.

(a) (1) If the Plan is terminated, or contributions permanently discontinued, an Adopting Employer, at its discretion, may (at that time or at any later time) direct the Trustee to distribute the amounts in a Participant's Account in accordance with the distribution provisions of the Plan. Such distribution shall, notwithstanding any prior provisions of the Plan, be made in a single lump-sum without the Participant's consent as to the timing of such distribution. If, however, an Adopting Employer (or an Affiliate) maintains another defined contribution plan (other than an employee stock ownership plan), then the preceding sentence shall not apply and the Adopting Employer, at its discretion, may direct such distributions to be made as a direct transfer to such other plan without the Participant's consent, if the Participant does not consent to an immediate distribution.

(2) If an Adopting Employer does not direct distribution under paragraph (1), each Participant's Account shall be maintained until distributed in accordance with the provisions of the Plan (determined without regard to this section) as though the Plan had not been terminated or contributions discontinued.

(b) If the Administrator determines that it is administratively impracticable to make distributions under this section in cash or that it would be in the Participant's best interest to make some or all of the distributions with in-kind property, it shall offer all Participants and Beneficiaries entitled to a distribution under this section a reasonable opportunity to elect to receive a distribution of the in-kind property being distributed by the Trust. Those Participants and Beneficiaries so electing shall receive a proportionate share of such in-kind property in the form (outright, in trust or in partnership) that the Administrator determines will provide the most feasible method of distribution.

(c) (1) Amounts attributable to elective contributions shall only be distributable by reason of this section if one of the following is applicable:

(A) the Plan is terminated without the establishment of a successor plan;

(B) an Adopting Employer has a sale or other disposition to an unrelated corporation of substantially all of the assets used by the Adopting Employer in a trade or business of the Adopting Employer with respect to an Employee who continues employment with the corporation acquiring such assets; or

(C) an Adopting Employer has a sale or other disposition to an unrelated entity of the Adopting Employer's interest in a subsidiary with respect to an Employee who continues employment with such subsidiary.

(2) For purposes of this section, the term "elective contributions" means employer contributions made to the Plan that were subject to a cash or deferred election under a cash or deferred arrangement.

(3) Elective contributions are distributable under subsections (c)(1)(B) and (C) above only if the Adopting Employers continue to maintain the Plan after the disposition.

ARTICLE XIII
Additional Provisions

13.1 Effect of Merger, Consolidation or Transfer. In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

13.2 Necessity of Initial Qualification. This Plan is established with the intent that it shall qualify under sections 401(a) and 401(k) of the Code as those sections exist at the time the Plan is established. If the Internal Revenue Service determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination, all of the assets of the Trust Fund held for the benefit of Participants and their Beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code. Any nonvested Matching Contributions and earnings attributable thereto shall be returned to the Adopting Employers.

13.3 No Assignment.

(a) Except as provided herein, the right of any Participant or Beneficiary to any benefit or to any payment hereunder shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind.

(b) Subsection (a) shall not apply to any payment or transfer permitted by the Internal Revenue Service pursuant to regulations issued under section 401(a)(13) of the Code.

(c) Subsection (a) shall not apply to any payment or transfer pursuant to a Qualified Domestic Relations Order.

(d) Subsection (a) shall not apply to any payment or transfer to the Trust in accordance with section 401(a)(13)(C) of the Code to satisfy the Participant's liabilities to the Plan or Trust in any one or more of the following circumstances:

(1) the Participant is convicted of a crime involving the Plan;

(2) a civil judgment (or consent order or decree) in an action is brought against the Participant in connection with an ERISA fiduciary violation; or

(3) the Participant enters into a settlement agreement with the Department of Labor or the Pension Benefit Guaranty Corporation over an ERISA fiduciary violation.

13.4 Limitation of Rights of Employees. This Plan is strictly a voluntary undertaking on the part of the Adopting Employers and shall not be deemed to constitute a contract between any of the Adopting Employers and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Adopting Employers or shall interfere with the right of any of the Adopting Employers to discharge or otherwise terminate the employment of any Employee of an Adopting Employer at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

13.5 Construction. The provisions of this Plan shall be interpreted and construed in accordance with the requirements of the Code and ERISA. Any amendment or restatement of the Plan or Trust that would otherwise violate the requirements of section 411(d)(6) of the Code or otherwise cause the Plan or Trust to cease to be qualified under section 401(a) of the Code shall be deemed to be invalid. Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine and vice versa, as appropriate. References to "section" or "ARTICLE" shall be read as references to appropriate provisions of this Plan, unless otherwise indicated.

13.6 Company Determinations. Any determinations, actions or decisions of the Company (including but not limited to, Plan amendments and Plan termination) shall be made by its Board of Directors in accordance with its established procedures or by such other individuals, groups or organizations that have been properly delegated by the Board of Directors to make such determination or decision.

13.7 Governing Law. This Plan shall be governed by, construed and administered in accordance with ERISA and any other applicable federal law; provided, however, that to the extent not preempted by federal law, this Plan shall be governed by, construed and administered under the laws of the Commonwealth of Massachusetts, other than its laws respecting choice of law.

ARTICLE XIV
Definitions

The following terms have the meaning specified below unless the context indicates otherwise:

14.1 Account. The entire interest of a Participant in the Trust Fund. A Participant's Account shall consist of an Elective Deferral Account, an Employee After-Tax Contribution Account, a Matching Contribution Account and, where applicable, a Rollover Contribution Account and a Qualified Nonelective Contribution Account.

14.2 Administrator. The person, persons, corporation, committee, group or organization designated to be the Administrator of the Plan and to perform the duties of the Administrator. Until and unless otherwise designated, the Administrator shall be the Company.

14.3 Adopting Employers. Any corporation that elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such corporation is approved by the Board of Directors, or an officer to whom authority to approve participation by a corporation is delegated by the Board of Directors, but shall not include any division, operation or similar cohesive group of the adopting corporation excluded by the Board of Directors. The Adopting Employers shall be listed in Exhibit A attached to this Plan.

14.4 Affiliate. A trade or business that, together with an Adopting Employer is a member of (i) a controlled group of corporations within the meaning of section 414(b) of the Code; (ii) a group of trades or businesses (whether or not incorporated) under common control as defined in section 414(c) of the Code, or (iii) an affiliated service group as defined in section 414(m) of the Code, or which is an entity otherwise required to be aggregated with the Adopting Employer pursuant to section 414(o) of the Code. For purposes of ARTICLE VIII, the determination of controlled groups of corporations and trades or businesses under common control shall be made after taking into account the modification required under section 415(h) of the Code. All such entities, whether or not incorporated, shall be treated as a single employer to the extent required by the Code.

14.5 Authorized Leave of Absence. An absence approved by the Adopting Employers on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of an Employee or a relative, the death of a relative, education of the Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Adopting Employers within the time period specified by the Adopting Employers.

14.6 Beneficiary. The person or persons (including a trust or trusts) who are entitled to receive benefits from a deceased Participant's Account after such Participant's death (whether or not such person or persons are expressly so designated by the Participant). If a married Participant designates a Beneficiary other than his or her spouse, said designation shall not take effect unless the spouse consents in writing to such designation and said spousal consent acknowledges the effect of said designation and is witnessed by a representative of the Plan or a notary public. Said spousal consent shall be effective only with respect to the spouse granting such consent, and shall not be required if the Participant can establish that there is no spouse, that the spouse cannot be located, or that other conditions exist as may be prescribed by regulations issued by the Secretary of the Treasury. If there is no Beneficiary designated by the Participant or surviving at the death of the Participant, payment of his or her Account shall be made in accordance with section 6.7. Subject to the foregoing, a Participant may designate a new Beneficiary at any time by filing with the Administrator a written request for such change on a form prescribed by the Administrator. Such change shall become effective only upon receipt of the form by the Administrator, but upon such receipt of the change shall relate back to and take effect as of the date the Participant signed such request, whether or not the Participant is living at the time of such receipt, provided, however, that neither the Trustee nor the Administrator shall be liable by reason of any payment of the Participant's Account made before receipt of such form. If a Beneficiary entitled to payment was the spouse or former spouse of the deceased Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion of, such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.12.

14.7 Board of Directors. The Board of Directors of Raytheon Company.

14.8 Business Day. Days on which the Recordkeeper is able to make transfers.

14.9 Code. The Internal Revenue Code of 1986, as amended.

14.10 Common Stock. Raytheon Company Class B common stock.

14.11 Company. Raytheon Company.

14.12 Compensation.

(a) The aggregate amount paid by the Employer to a Participant as regular base salary, including amounts authorized by the Participant to be deferred from his Compensation and contributed by the Employer under section 3.3, as well as amounts paid as commissions, military pay differential, and under the Hughes Annual Incentive Plan, the Hughes Salary Adjustment Plan, the Hughes Supplemental Compensation Plan, awards under the Hughes Subsidiary Incentive Plan not in excess of the target award (or any successor plans of the foregoing), but without inclusion of any overtime compensation, shift differentials, foreign service premiums (including mobility allowances), per diem, royalties, payments in lieu of vacation, benefits from the Hughes Transition Pay Plan, the Hughes Supplemental Employee Retirement Plan, the Hughes Long-Term Performance Plan, and amounts deferred by a Participant to the flexible spending account in an Employer cafeteria plan under section 125 of the Code, or other payments of like nature, subject to the following:

(b) The Compensation of each Participant for any year shall be deemed to not exceed one hundred fifty thousand dollars ($150,000); provided, however, that this limit shall be adjusted in the same manner and at the same time as under section 415(d) of the Code, in accordance with regulations under section 401(a)(17) of the Code. Compensation for Highly-Compensated Employees shall be determined in accordance with the provisions of section 14.28.

(c) Unless otherwise indicated herein, Compensation shall be determined only on the basis of amounts paid during the Plan Year, including any Plan Year with a duration of fewer than twelve (12) months.

(d) The Compensation of a person who becomes a Participant during the Plan Year shall only include amounts paid after the date on which such person was admitted as a Participant.

14.13 Current Market Value. The closing price of the Common Stock on the New York Stock Exchange on the Business Day immediately preceding the Business Day on which the Common Stock is allocated to the Participants' Accounts in accordance with the terms of the Plan.

14.14 Disability. Any medically determinable physical disorder that renders a Participant incapable of engaging in any occupation for compensation or profit. The determination of Disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish Disability or the continuation thereof.

14.15 Effective Date. December 18, 1997.

14.16 Elective Deferral. A voluntary reduction of a Participant's Compensation in accordance with section 3.3 hereof that qualifies for treatment under section 402(e)(3) of the Code. A Participant's election to make Elective Deferrals may be made only with respect to an amount that the Participant could otherwise elect to receive in cash and that is not currently available to the Participant.

14.17 Elective Deferral Account. That portion of a Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.18 Eligible Employee. A person who is a salaried Employee of an Adopting Employer who:

(a) is a United States citizen or resident;

(b) is not employed in a position or classification within a bargaining unit which is covered by a collective bargaining agreement with respect to which retirement benefits were the subject of good faith bargaining (unless such agreement provides for coverage hereunder of employees of such unit);

(c) is not assigned on the books and records of the Employer to any division, operation or similar cohesive group of an Adopting Employer that is excluded from participation in the Plan by the Board of Directors;

(d) in the case of an Employee of the Company, is assigned on the books and records of the Company to the HE Holdings payroll (all other Employees of the Company are not eligible to participate in this Plan); and

(e) is not a Leased Employee or any other person who performs services for an Adopting Employer other than as an Employee.

14.19 Employee. Except to the extent otherwise provided herein, any person employed by an Employer who is expressly so designated as an Employee on the books and records of the Employer and who is treated as such by the Employer for federal employment tax purposes. Any person who, after the close of a Plan Year, is retroactively treated by the Employer or any other party as an Employee for such prior Plan Year shall not, for purposes of the Plan, be considered an Employee for such prior Plan Year unless expressly so treated as such by the Employer.

14.20 Employee After-Tax Contributions. Voluntary contributions made by Participants on an after-tax basis in accordance with section 3.4 of the Plan.

14.21 Employee After-Tax Contribution Account. That portion of a Participant's Account which is attributable to Employee After-Tax Contributions, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.22 Employer. An Adopting Employer and any Affiliate thereof (whether or not such Affiliate has elected to participate in the Plan).

14.23 Employment Commencement Date. The date on which an individual first performs an Hour of Service with the Employer.

14.24 ERISA. The Employee Retirement Income Security Act of 1974, as amended.

14.25 Fiduciary. Any person who exercises any discretionary authority or discretionary control over the management of the Plan, or exercises any authority or control respecting management or disposition of Plan assets; who renders investment advice for a fee or other compensation, direct or indirect, as to assets held under the Plan, or has any authority or discretionary responsibility in the administration of the Plan. This definition shall be interpreted in accordance with section 3(21) of ERISA.

14.26 Highly Compensated Employee

(a) Any Employee who:

(1) is a five percent (5%) owner at any time during the Plan Year or the preceding Plan Year; or

(2) for the preceding Plan Year:

(A) received Compensation in excess of the amount specified in section 414(q)(1)(B)(i) of the Code; and

(B) if the Adopting Employers so elect, in accordance with section 414(q)(1)(B)(ii) of the Code, was a member of the Top-Paid Group for such preceding Plan Year.

(b) A former Employee will be treated as a Highly Compensated Employee if the former Employee was a Highly Compensated Employee at the time of his or her separation from service or the former Employee was a Highly Compensated Employee at any time after attaining age fifty-five (55).

(c) The term "Top-Paid Group" for any year includes Employees in the group of Employees specified in section 414(q)(5) of the Code, which consists of the top twenty percent (20%) of Employees when ranked on the basis of Compensation paid during such year.

(d) In determining the number of Employees in the Top-Paid Group taken into account under subsection (c) of this section, nonresident aliens with no earned income from the Adopting Employers that constitutes income from sources within the United States shall not be treated as Employees and (unless the Adopting Employers elect otherwise) the following Employees shall be excluded:

(1) Employees with fewer than six (6) months of service;

(2) Employees who normally work fewer than seventeen and one-half (171/2) hours per week;

(3) Employees who normally work during not more than six (6) months during the year;

(4) Employees who have not attained age twenty-one (21); and

(5) (except to the extent permitted by regulation) Employees who are included in a unit of Employees covered by a collective bargaining agreement with one of the Adopting Employers.

(e) The dollar amounts incorporated under subsection (a)(2)(A) shall be adjusted as provided in section 414(q)(1) of the Code.

(f) For purposes of this section, the term "Compensation" means compensation as defined under section 414(q)(4) of the Code.

(g) This section shall be interpreted in a manner consistent with section 414(q) of the Code and the regulations thereunder and shall be interpreted to permit any elections permitted by such regulations to be made.

14.27 Hour of Service.

(a) Any hour for which any person is directly or indirectly paid (or entitled to payment) by the Employer for the performance of duties as an Employee, as determined from the appropriate records of the Employer.

(b) In computing Hours of Service, a person shall also be credited with Hours of Service based on the person's previous customary service with the Employer (not exceeding either eight (8) hours per day or forty (40) hours per week), for the following periods:

(1) periods (limited to a maximum of five hundred one (501) hours for any single, continuous period) for which the person is directly or indirectly paid for reasons other than the performance of duties, such as vacation, holiday, sickness, disability, layoff, jury duty or military duty;

(2) periods for which any federal law requires that credit for service be given; and

(3) periods for which back pay (irrespective of mitigation of damages) is either awarded or agreed to by the Employer.

(c) Hours of Service shall also include each hour for which an Employee is entitled to credit under subsection (a) as a result of employment with:

(1) a predecessor company substantially all the assets of which have been acquired by the Company, provided that where only a portion of the operations of a company has been acquired, only service with said acquired portion prior to the acquisition will be included and that the Employee was employed by said predecessor company at the time of acquisition; or

(2) a division, operation or similar cohesive group of the Employer excluded from participation in the Plan.

(d) The provisions of subsection (b) shall be further limited to prevent duplication by only permitting a person to receive credit for one (1) Hour of Service for any given hour.

(e) Hours of Service shall be computed and credited in accordance with the Department of Labor regulations under section 2530.200b.

14.28 Layoff. An involuntary interruption of service due to reduction of work force with or without the possibility of recall to employment when conditions warrant.

14.29 Leased Employee. Any person (other than an Employee) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or any related person as provided in section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one (1) year and such services are performed under primary direction or control of the Employer. Leased Employees are not eligible to participate in the Plan.

14.30 Matching Contribution. Contribution made to the Trust in accordance with section 3.1 hereof.

14.31 Matching Contribution Account. That portion of Participant's Account which is attributable to Matching Contributions by the Adopting Employers, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.32 Net Annual Profits. The current earnings of the Adopting Employers for the Plan Year determined in accordance with generally accepted accounting principles before federal and local income taxes and before contributions to this Plan or any other qualified plan.

14.33 Net Profits. The accumulated earnings of the Adopting Employers at the end of the Plan Year determined in accordance with generally accepted accounting principles. For the purposes hereof "accumulated earnings at the end of the Plan Year" shall include Net Annual Profits for such Plan Year calculated before any deduction is taken for depreciation, if any.

14.34 Nonforfeitable. An unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

14.35 Non-Highly Compensated Work Force. The aggregate number of individuals (other than Highly Compensated Employees) who are:

(a) Employees of the Employer (other than Leased Employees) who have performed services for the Employer on a substantially full-time basis for a period of at least one (1) year; and

(b) Leased Employees.

14.36 Normal Retirement Age. The Participant's sixty-fifth (65th) birthday.

14.37 Participant. An individual who is enrolled in the Plan pursuant to ARTICLE II and has not received a distribution of all of the funds credited to his or her Account (or had such funds fully forfeited). In the case of an Eligible Employee who makes a Rollover Contribution to the Plan under section 3.7(a)(6) prior to enrollment under ARTICLE II, such Eligible Employee shall, until he or she enrolls under ARTICLE II, be considered a Participant for the limited purposes of maintaining and receiving his or her Rollover Contribution Account under the terms of the Plan.

14.38 Pay Period. A scheduled period for payment of wages or salaries.

14.39 Period of Participation. That portion of a Period of Service during which the Eligible Employee was a Participant, and had an Elective Deferral Account in the Plan. For the purpose of determining a Period of Participation, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes Salaried Employees' Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one of its affiliates (other than a joint venture that has adopted the Plan) after the Effective Date and before December 1, 1998, and who become Participants as of the Effective Date or the date of transfer, as applicable, shall be credited with their participation in such plan.

14.40 Period of Service. The period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date. For the purpose of determining a Period of Service, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes Salaried Employees' Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one of its affiliates (other than a joint venture that has adopted this Plan) after the Effective Date and before December 1, 1998, and who become Participants as of the Effective Date or the date of transfer, as applicable, shall be credited with their years of service credited under such plan.

14.41 Period of Severance. The period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

14.42 Plan. The Raytheon Salaried Savings and Investment Plan (10011) as amended from time to time.

14.43 Plan Year. The first Plan Year shall begin on the Effective Date and end December 31, 1997. Thereafter, the Plan Year shall be the annual twelve-(12) month period beginning on January 1 of each year and ending on December 31 of each year.

14.44 Qualified Military Service. Any period of duty on a voluntary or involuntary basis in the United States Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty for training or full-time National Guard duty, the commissioned corps of the Public Health Service and any other category of persons designated by the President of the United States in time of war or emergency. Such periods of duty shall include active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty and absence from employment for an examination to determine fitness for such duty.

14.45 Qualified Nonelective Contributions. Any contribution by the Adopting Employers to the Trust pursuant to section 3.2. Qualified Nonelective Contributions are one hundred percent (100%) vested when made and are distributable as provided herein, but in no event before the earlier of:

(a) the Participant's Severance from Service, death or Disability;

(b) the Participant's attainment of age fifty-nine and one-half (591/2);

(c) the termination of the Plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan);

(d) the disposition of substantially all of the assets used by the Adopting Employers in a trade or business of the Adopting Employers but only with respect to an Employee who continues employment with the entity acquiring such assets; or

(e) the disposition of the Adopting Employers' interest in a subsidiary, but only with respect to an Employee who continues employment with such subsidiary.

14.46 Qualified Nonelective Contribution Account. That portion of a Participant's Account which is attributable to Qualified Nonelective Contributions received pursuant to section 3.2, adjusted for withdrawals and distributions, and the earnings and losses attributable thereto.

14.47 Recordkeeper. The organization designated by the Administrator to be the recordkeeper for the Plan. Until and unless otherwise designated, the Recordkeeper shall be Fidelity Investments.

14.48 Reemployment Commencement Date. The first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under section 5.3 in determining whether a Participant has a Nonforfeitable right to his or her Matching Contribution Account.

14.49 Retirement. A Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

14.50 Rollover Contributions. A transfer that qualifies under either section 402(c) or 403(a)(4) of the Code.

14.51 Rollover Contribution Account. That portion of a Participant's Account which is attributable to Rollover Contributions received pursuant to section 3.7, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.52 Severance from Service. The termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Qualified Military Service or Disability.

14.53 Severance from Service Date. The earliest of:

(a) the date on which an Employee resigns, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c), (d), (e) and (f) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than resignation, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a Layoff as the result of a permanent plant closing, the Administrator may designate the date of Layoff or other appropriate date prior to the first anniversary of first date of absence as the Severance from Service Date; or

(c) in the case of a Qualified Military Service leave of absence from which the Employee does not return prior to expiration of recall rights, Severance from Service Date means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, Severance from Service Date means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or resigns (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date, for the sole purpose of determining the length of a Perio Service, shall mean the first anniversary of the resignation or discharge; or

(f) in the case of an Employee who is absent from service beyond the first anniversary of the first day of absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Severance from Service Date shall be the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence is neither a Period of Service nor a Period of Severance.

14.54 Surviving Spouse. A lawful spouse surviving the Participant as of the date of the Participant's death.

14.55 Trust. The Raytheon Company Master Trust for Defined Contribution Plans and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

14.56 Trustee. The Trustee and any successor trustees under the Trust.

14.57 Trust Fund. The cash, securities, and other property held by the Trustee for the purposes of the Plan.

14.58 Valuation Date. The last day of each Plan Year. The Administrator may, in is sole discretion, establish additional Valuation Dates, up to and including daily valuations.

Exhibit A

ADOPTING EMPLOYERS PARTICIPATING IN RAYTHEON
SALARIED SAVINGS AND INVESTMENT PLAN (10011)
As of December 18, 1997
(Unless Indicated Otherwise)

HE Holdings, Inc.
HE Microwave LLC
Hughes Aircraft Systems International
Hughes Defense Communications (formerly Magnavox Company)
Hughes International Corporation
Hughes Nadge Corporation
Hughes Systems Management International
Raytheon Company d/b/a Raytheon Systems Company **
Raytheon Data Systems
Raytheon Electronic Technologies, Inc.
Raytheon Information Systems Company
Raytheon Missile Systems Company
Raytheon Optical Systems, Inc.
Raytheon Training, Inc. (excludes Employees covered by the Service Contract Act)
Raytheon Technical Services Company (limited to selected groups of Employees)
Santa Barbara Research Center

** But only with respect to Employees who either (1) were covered as of December 17, 1997, by one or more defined contribution plans sponsored by Hughes Aircraft Company or an affiliate and have been Employees since December 18, 1997; or (2) have been hired by Raytheon Company on or after December 18, 1997, into a position in a business operated by Hughes Aircraft Company or an affiliate prior to that date.

Exhibit B

Special Withdrawal and Distribution Provisions

This Exhibit B describes special withdrawal and distribution provisions that apply with respect to certain assets transferred directly from other retirement plans to the Plan in accordance with section 3.7(b) of the Plan. Except as otherwise provided herein, the special withdrawal and distribution provisions apply only with respect to the assets, together with earnings thereon, transferred from the other plans (hereinafter referred to as the "Transferred Account Balances").

As of December 18, 1997, this Exhibit B includes special withdrawal and distribution provisions applicable to the Transferred Account Balances from the following retirement plans:

A. Hughes Section 401(k) Savings Plan
B. Hughes STX Corporation 401(k) Retirement Plan
C. The 401(k) Plan for Employees of MESC Electronic Systems, Inc.
D. The 401(k) Plan for Bargaining Unit Employees of MESC Electronic Systems, Inc.

A. This paragraph A describes special withdrawal and distribution provisions applicable to Participants with Transferred Account Balances from the Hughes Section 401(k) Savings Plan:

(1) Directed Transfer to Account Plan: Notwithstanding section 6.7(d) of the Plan, a Participant who meets all of the requirements listed below may elect in writing on a form provided by the Administrator for this purpose to have his Transferred Account Balance transferred to the Hughes Personal Retirement Account Plan ("Account Plan") and applied to the purchase of an immediate annuity, in accordance with the applicable annuity factors and other provisions of the Account Plan. The requirements that must be met are:

(a) the Participant has had a Severance from Service;

(b) the Participant, as of the Severance from Service Date, was a participant in the Account Plan;

(c) the Participant is entitled to an immediate distribution of his or her accrued benefits under the Account Plan in the form of an annuity or a lump sum;

(d) the Participant has irrevocably elected to receive his accrued benefit under the Account Plan in the form of an immediate annuity; and

(e) the Participant was not, immediately prior to such Severance from Service -

(i) a union employee whose terms of employment were the subject of a collective bargaining agreement or the subject of negotiation by a labor union or other labor organization, or (ii) an employee of CAE Vanguard Inc. or CAE ScreenPlates, Inc. or any subsidiary thereof.

(2) Special Distribution Rules for March 31, 1990 Account Balances: This subsection applies to Participants who had an account in the Hughes Section 401(k) Savings Plan on March 31, 1990 (a "3/31/90 Member"). In addition, the special distribution rules available to 3/31/90 Members apply solely with respect to the value of such account on the March 31, 1990 valuation date under the plan (the "3/31/90 Balance").

(a) Additional Methods of Distribution: Notwithstanding section 6.7(d) of the Plan, a 3/31/90 Member shall have the following additional forms of distribution elections available with respect to his 3/31/90 Balance:

(i) withdrawal in a single lump sum distribution of the amount credited to the Participant's 3/31/90 Balance attributable to voluntary after-tax contributions with or without the deferral of the receipt in a single lump sum distribution of the Participant's 3/31/90 Balance attributable to pre-tax contributions and rollover contributions to a date no later than the April first (1st) following the calendar year during which the Participant attains age seventy and one-half (70-1/2); or

(ii) purchase of an annuity contract from a life insurance company under tables based on unisex mortality assumptions with all or any portion of the Participant's 3/31/90 Balance and taking a single lump sum distribution with respect to any portion of such 3/31/90 Balance not applied to the purchase of the annuity.

(b) Special Informational Requirement: Information showing the Participant the financial effects of the various distribution options available with respect to the 3/31/90 Balance shall be provided to the Participant at least ninety (90) days prior to the date the Participant becomes eligible for a benefit under the Plan.

(c) Special Annuity Contract Requirements: The following rules shall apply with respect to any 3/31/90 Member who elects the annuity contract option:

(i) The annuity contract shall provide for periodic annuity payments for the life of the 3/31/90 Member and the continuation of fifty percent (50%) of the amount of the periodic annuity payments the 3/31/90 Member was receiving (or was entitled to receive at his date of death) to the 3/31/90 Member's spouse on the date the annuity payments to the 3/31/90 Member commenced (or, if earlier, on the date of the 3/31/90 Member's death). The 3/31/90 Member may revoke such election and elect any other form of benefit; provided, however, that the 3/31/90 Member may not re-elect the forms of distribution specified above for a reasonable period of time before the purchase of the annuity contract, as determined by the Administrator. Such annuity contract may not contain an "interest only option" form of distribution. The revocation of an election to have benefits paid in the form of an annuity must be made in the form and manner prescribed by the Administrator and after the Participant shall have been furnished with a written explanation of (A) the terms and conditions of the annuity benefit, (B) the Participant's right to revoke an election of an annuity benefit, (C) the general financial effect of such an election to revoke, (D) the requirement that the consent of the Participant's spouse, if any, is required to make a revocation and (E) the rights of the Participant's spouse, if any. A Participant's election to revoke the annuity benefit shall be effective only if it is accompanied by the written notarized consent of the Participant's spouse, if any, and shall specify the other form of benefit and identify the beneficiary, if any, and shall acknowledge the effect of the election.

(ii) The annuity contract must provide that benefits will commence no later than the April first (1st) following the calendar year during which the Participant attains age seventy and one-half (70-1/2) and, if the spouse of the 3/31/90 Member is not the Participant's Beneficiary, payments under any periodic payment option offered under the annuity contract to such 3/31/90 Member and his Beneficiary must be completed during a period not exceeding the life expectancy of the 3/31/90 Member, or the joint life expectancy of such Participant and his Beneficiary or, if the Beneficiary is not treated as a natural person, five (5) years. The forms of distribution offered under the annuity contract must otherwise satisfy the minimum distribution requirements under the Code.

(iii) An annuity contract that does not provide for immediate payment of benefits must provide for all other forms of distribution then available to the 3/31/90 Member under the Plan at all times prior to the commencement of benefit payments under such contract.

(iv) The annuity contract option shall be available to any 3/31/90 Member with respect to any portion of his 3/31/90 Balance that he has elected to defer.

(v) Any 3/31/90 Member who elects the annuity contract option shall have the annuity contract distributed to him in lieu of cash or other property for the portion of his 3/31/90 Balance that was applied to the purchase of the annuity contract.

(3) Defer Distributions to Age 70-1/2: Notwithstanding sections 6.7(c) and 6.9(b) of the Plan, if the vested amount in a Participant's Account (including the Transferred Account Balance) exceeds or ever exceeded three thousand five hundred dollars ($3,500), then payment to the Participant of his or her Transferred Account Balance shall not commence before such Participant has attained age seventy and one-half (70-1/2), unless the Participant requests an earlier distribution. Such request must be made not more than ninety (90) days before the commencement of the distribution.

(4) In-Service Distributions of Matching Contributions After Age 70-1/2: Notwithstanding section 6.1 of the Plan, with respect to Participants who attain age seventy and one-half (70-1/2) prior to January 1, 1999, such Participants may withdraw, after attaining age seventy and one-half and subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or a part of the Participants' Transferred Account Balances attributable to Matching Contributions, regardless of whether the Participants have completed a Period of Participation of five (5) years.

B. This paragraph B describes special withdrawal and distribution provisions applicable to Participants with Transferred Account Balances from the Hughes STX Corporation 401(k) Retirement Plan:

(1) Five (5)-Year Installment Distribution Option: Notwithstanding section 6.7(d) of the Plan, Participants can elect to receive their Transferred Account Balances in accordance with one of the following distribution options:

(a) Payment in a single sum; or

(b) Payment in substantially equal annual installments over a period not to exceed five (5) years.

(2) In-Service Distributions of Matching Contributions After Age 70-1/2: Notwithstanding section 6.1 of the Plan, with respect to Participants who attain age seventy and one-half (70-1/2) prior to January 1, 1999, such Participants may withdraw, after attaining age seventy and one-half and subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or a part of the Participants' Transferred Account Balances attributable to Matching Contributions, regardless of whether the Participants have completed a Period of Participation of five (5) years.

C. This paragraph C describes special withdrawal and distribution provisions applicable to Participants with Transferred Account Balances from The 401(k) Plan for Employees of MESC Electronic Systems, Inc. or The 401(k) Plan for Bargaining Unit Employees of MESC Electronic Systems, Inc.:

(1) Special Distribution Provisions for Philips Participants: This paragraph describes special withdrawal and recordkeeping requirements applicable to Participants whose Transferred Account Balances include assets transferred from the North American Philips Corporation Employee Savings Plan effective as of October 23, 1993 (hereinafter referred to as "Philips Participants" and "Philips Assets").

(a) Notwithstanding section 6.1 of the Plan to the contrary, with respect to Matching Contributions attributable to Philips Assets, Philips Participants may withdraw, subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or a portion of such Matching Contributions, regardless of whether the Participants have completed a Period of Participation of five (5) years.

(b) The portion of a Philips Participant's Transferred Account Balance attributable to after-tax contributions under the Philips Plan shall be maintained in two separate sub-accounts under the Plan - (i) one sub-account for after-tax contributions made prior to January 1, 1987, together with earnings thereon, and (ii) a second sub-account for after-tax contributions made after December 31, 1986, together with earnings thereon.

(2) Defer Distributions to Age 70-1/2: Notwithstanding sections 6.7(c) and 6.9(b) of the Plan, if the vested amount in a Participant's Account (including the Transferred Account Balance) exceeds or ever exceeded three thousand five hundred dollars ($3,500), then payment to the Participant of his or her Transferred Account Balance shall not commence before such Participant has attained age seventy and one-half (70-1/2), unless the Participant requests an earlier distribution. Such request must be made not more than ninety (90) days before the commencement of the distribution.

(3) In-Service Distributions of Matching Contributions After Age 70-1/2: Notwithstanding section 6.1 of the Plan, with respect to Participants who attain age seventy and one-half (70-1/2) prior to January 1, 1999, such Participants may withdraw, after attaining age seventy and one-half and subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or a part of the Participants' Transferred Account Balances attributable to Matching Contributions, regardless of whether the Participants have completed a Period of Participation of five (5) years.

EXHIBIT 4.10

RAYTHEON CALIFORNIA HOURLY SAVINGS AND INVESTMENT PLAN (10012)
Effective December 18, 1997

ARTICLE I
Establishment of the Plan

1.1 Establishment of the Plan. The Raytheon California Hourly Savings and Investment Plan (the "Plan"), which is effective December 18, 1997, provides Participants with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Plan and set aside for the short-term and long-term needs of the Participants. The Plan also provides retirement benefits for Participants or their Beneficiaries in the event a Participant becomes disabled or dies before retirement. It is intended that the Plan will comply with all of the requirements for a qualified profit sharing plan under sections 401(a) and 401(k) of the Code and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in ARTICLE XIV unless the context indicates otherwise. The Plan is intended to constitute a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations, Section 2550.404(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan and the Plan Fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a Participant or Beneficiary.

1.2 Trust. The Trust shall be the sole source of benefits under the Plan and the Adopting Employers or any Affiliate shall not have any liability for the adequacy of the benefits provided under the Plan.

1.3 Effective Date. The Plan shall be effective as of December 18, 1997, or such other dates as may be specifically provided herein or as otherwise required by law for the Plan to satisfy the requirements of section 401(a) of the Code.

1.4 Adoption of Plan. With the prior approval of the Board of Directors or an officer of the Company authorized by the Board of Directors to give such approval, the Plan and Trust may be adopted by any corporation (hereinafter referred to as an Adopting Employer). Such adoption shall be made by the Adopting Employer filing with the Administrator and Trustee a certified copy of a board of directors (or equivalent) resolution adopting the Plan and Trust without modification. The Administrator may require the Adopting Employer to take such further actions as it deems appropriate to the proper adoption and operation of the Plan and Trust. In the event of the adoption of the Plan and Trust by an Adopting Employer, the Plan and Trust shall be interpreted in a manner consistent with such adoption.

1.5 Withdrawal of Adopting Employer.

(a) An Adopting Employer's adoption of this Plan may be terminated, voluntarily or involuntarily, at any time, as provided in this section.

(b) An Adopting Employer shall withdraw from the Plan and Trust if the Plan and Trust, with respect to that Adopting Employer, fail to qualify under sections 401(a) and 501(a) of the Code (or, in the opinion of the Administrator, they may fail to so qualify) and the continued sponsorship of that Adopting Employer may jeopardize the status with respect to the Company or the remaining Adopting Employers, of the Plan and Trust under sections 401(a) and 501(a) of the Code. The Adopting Employer shall receive at least thirty (30) days prior written notice of a withdrawal under this subsection, unless a shorter period is agreed to.

(c) An Adopting Employer may voluntarily withdraw from the Plan and Trust for any reason. Such withdrawal requires at least thirty (30) days written notice to the Administrator and the Trustee, unless a shorter period is agreed to.

(d) Upon withdrawal, the Trustee shall segregate the assets attributable to Employees of the withdrawn Adopting Employer, the amount thereof to be determined by the Administrator and the Trustee. The segregated assets shall be held, paid to another trust, distributed or otherwise disposed of as is appropriate under the circumstances; provided, however, that any transfer shall be for the exclusive benefit of Participants and their Beneficiaries. A withdrawal of an Adopting Employer from the Plan is not necessarily a termination under ARTICLE XII. If the withdrawal is a termination, then the provisions of ARTICLE XII shall also be applicable.

ARTICLE II
Eligibility

2.1 Eligibility Requirements. Each Employee who is an Eligible Employee on the Effective Date shall begin participation in this Plan on the Effective Date. Each Eligible Employee who transfers to an Adopting Employer from General Motors Corporation or one of its affiliates after the Effective Date and before December 1, 1998, and who immediately prior to such transfer was a participant in the Hughes California Hourly Employees' Thrift and Savings Plan, shall begin participation in this Plan on the date of such transfer. Each other Eligible Employee and any person who subsequently becomes an Eligible Employee may join the Plan as of the first Pay Period coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on his or her Employment Commencement Date.

2.2 Procedure for Joining the Plan. Each Eligible Employee who meets the requirements of section 2.1 may join the Plan by communicating with the Recordkeeper in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Eligible Employee has designated: a percentage by which his or her Compensation shall be reduced as an Elective Deferral in accordance with the requirements of section 3.3, subject to the nondiscrimination test described in section 3.10; election of investment funds as described in ARTICLE IV; one or more Beneficiaries; and such other information as specified by the Recordkeeper. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator, in its discretion, may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.3 Transfer Between Adopting Employers to Position Covered by Plan. A Participant who is transferred to a position with another Adopting Employer in which the Participant remains an Eligible Employee will continue as an active Participant of the Plan.

2.4 Transfer to Position Not Covered by Plan. If a Participant is transferred to a position with an Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan with respect to Elective Deferrals previously made but shall no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with the Recordkeeper and providing all of the information requested by the Recordkeeper. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by the Recordkeeper of the requested information.

2.5 Transfer to Position Covered by Plan. If an Employee who is not eligible to participate in the Plan by reason of his or her position with an Employer is transferred to a position that is eligible to participate in the Plan, all service performed as an Employee in such noneligible position shall be treated as a Period of Service for purposes of this ARTICLE.

2.6 Treatment of Qualified Military Service. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with section 414(u) of the Code.

ARTICLE III
Contributions

3.1 Matching Contributions. (a)(1) Each Adopting Employer shall, in its discretion, make Matching Contributions with regard to Elective Deferrals and Employee After-Tax Contributions made by its Employees during a Plan Year. Each Adopting Employer shall, in its discretion, determine both the percentage rate of the Elective Deferrals and Employee After-Tax Contributions that will be matched and any limits on the maximum Matching Contributions that will be made for any Participant. Matching Contributions will be made in such form as is specified in subsection (b).

(2) Unless otherwise specified by an Adopting Employer, each Adopting Employer shall make Matching Contributions equal in value to one hundred percent (100%) of the total Elective Deferrals and Employee After-Tax Contributions made during that Plan Year by each Participant who is an Employee of that Adopting Employer, but the total of such Matching Contributions for any Participant shall not exceed four percent (4%) of a Participant's Compensation from that Adopting Employer for that Plan Year.

(b) The Matching Contribution under subsection (a) shall be made in either Common Stock or cash that is invested in Common Stock. The number of shares of Common Stock contributed by the Adopting Employer or acquired with Matching Contributions under subsection (a) shall be allocated to the Participant's Account by the Trustee and such allocation shall equal the number of shares of Common Stock which the Trustee could have purchased for the Participant at the Current Market Value. Such Matching Contribution shall remain invested in Common Stock until the end of two (2) full Plan Years following the Plan Year for which such contributions or deferrals are made.

3.2 Qualified Nonelective Contributions. Each Plan Year the Adopting Employers may contribute to the Trust such amounts as determined by the Board of Directors in its sole discretion. Any amounts contributed under this subsection are to be designated by the Adopting Employers as Qualified Nonelective Contributions.

3.3 Elective Deferrals. (a) A Participant may authorize the Adopting Employer to reduce his or her Compensation on a pre-tax basis and to correspondingly contribute to the Plan an amount equal to any whole percentage of Compensation that does not exceed twelve percent (12%) of his or her Compensation for that Plan Year.

(b) A Participant shall not be permitted to defer his or her Compensation under subsection (a) during any calendar year in excess of nine thousand five hundred dollars ($9,500) (or such amount as may be permitted in accordance with regulations issued under section 415(d)(1) of the Code).

(c) A Union Officer shall contribute or defer in cash for each Pay Period for which he or she receives pay as a Union Officer the amount selected within the limits of and in accordance with the provisions of section 3.3. Such contribution shall be made, on a periodic basis as specified from time to time by the Administrator, to the last Adopting Employer by which such Participant was employed. For purposes of this section, the term "Union Officer" shall mean a Participant who accepts a leave of absence from the Adopting Employers to assume a paid full-time position as an elective officer of a union which is the collective bargaining representative for a collective bargaining unit consisting of or including Employees, so long as he or she holds such a position if he or she is entitled, pursuant to a collective bargaining agreement with one of the Adopting Employers to be a Participant while on such leave of absence and has not waived such right.

3.4 Employee After-Tax Contributions. (a) A Participant may authorize the Adopting Employer to reduce his or her Compensation on an after-tax basis and to correspondingly contribute to the Plan an amount equal to any whole percentage of Compensation that does not exceed twelve percent (12%) of his or her Compensation for that Plan Year.

(b) A Union Officer shall contribute or defer in cash for each Pay Period for which he or she receives pay as a Union Officer the amount selected within the limits of and in accordance with the provisions of section 3.4. Such contribution shall be made, on a periodic basis as specified from time to time by the Administrator, to the last Company by which such Participant was employed. For purposes of this section, the term "Union Officer" shall mean a Participant who accepts a leave of absence from the Adopting Employers to assume a paid full-time position as an elective officer of a union which is the collective bargaining representative for a collective bargaining unit consisting of or including Employees, so long as he or she holds such a position if he or she is entitled, pursuant to a collective bargaining agreement with one of the Adopting Employers to be a Participant while on such leave of absence and has not waived such right.

3.5 Change in Elective Deferrals. Except as provided in section 3.10, any Participant may change his or her Elective Deferral or Employee After-Tax Contribution percentage to increase or decrease said percentage by notifying the Recordkeeper, such change to take effect as of the next administratively feasible Pay Period.

3.6 Forfeitures.

(a) In the event that a Participant incurs a Severance from Service before attaining a Nonforfeitable right to his or her Matching Contributions, the Matching Contribution Account will be forfeited as of the first day of the month immediately following the earliest of: (i) the date on which the Participant incurs a Period of Severance of five (5) consecutive years; (ii) death; or (iii) the date on which the Participant's Elective Deferral Account is distributed in accordance with ARTICLE VI. Forfeitures of Matching Contributions will be used to reduce future contributions of the Adopting Employers to the Plan.

(b) If, in connection with his or her Severance from Service, a Participant received a distribution of his or her Elective Deferral Account when he or she did not have a Nonforfeitable right to his or her Matching Contribution Account, the Matching Contributions that were forfeited, unadjusted by any subsequent gains or losses, shall be restored if he or she again becomes an Employee before incurring a Period of Severance of five (5) consecutive years, performs an Hour of Service, and repays the full value of his or her prior distributions, unadjusted for subsequent gains and losses, before the first to occur of (i) the end of the five- (5) year period beginning with the date he or she again becomes an Employee or (ii) the date on which he or she incurs a Period of Severance of five (5) consecutive years.

3.7 Rollover Contributions and Transfers.

(a) Participants may transfer into the Plan qualifying rollover amounts (as defined in section 402 of the Code) received from other qualified plans (provided that no federal income tax has been required to have been paid previously on such amounts); or rollover contributions from an individual retirement account described in section 408(d)(3)(A)(ii) of the Code (referred to herein as a "conduit IRA"), subject to the following conditions:

(1) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from another qualified plan or, in the event that the funds are transferred from a conduit IRA, no later than sixty (60) days from the date that the Participant receives such funds from the individual retirement account;

(2) the amount of such Rollover Contributions shall not exceed the limitations set forth in section 402 of the Code;

(3) the Rollover Contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to ARTICLE VII;

(4) the Rollover Contributions may be distributed at the request of the Participant, subject to the same administrative procedures as apply to other distributions;

(5) the Rollover Contributions transferred pursuant to this section 3.7(a) shall be credited to the Participant's Rollover Contribution Account and invested upon receipt by the Trustee;

(6) a Rollover Contribution will not be accepted unless (A) the Employee on whose behalf the Rollover Contribution will be made is either a Participant or an Eligible Employee who has notified the Administrator that he or she intends to become a Participant on the first date on which he or she is eligible therefor, and (B) all required information, including selection of specific investment accounts, is provided to the Recordkeeper - when the Rollover Contribution has been deposited, any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in sections 4.2 and 4.3; and

(7) under no circumstances shall the Administrator accept as a Rollover Contribution amounts which have previously been subject to federal income tax.

(b)(1) The Plan shall accept a transfer of assets, including elective transfers in accordance with Treas. Regs. section 1.411(d)-4 Q&A-3(b), directly from another plan qualified under section 401(a) of the Code only if the Administrator, in its sole discretion, agrees to accept such a transfer. In determining whether to accept such a transfer, the Administrator shall consider the administrative inconvenience engendered by such a transfer and any risks to the continued qualification of the Plan under section 401(a) of the Code. Acceptance of any such transfer shall not preclude the Administrator from refusing any such subsequent transfers.

(2) Any transfer of assets accepted under this subsection shall be separately accounted for at all times and shall remain subject to the provisions of the transferor plan (as it existed at the time of such transfer) to the extent required by section 411(d)(6) of the Code (including, but not limited to, any rights to qualified joint and survivor annuities and qualified preretirement survivor annuities) as if such provisions were part of the Plan. In all other respects, however, such transferred assets will be subject to the provisions of the Plan. The Administrator may, but is not required to, describe in an Exhibit to this Plan the special provisions that must be preserved under section 411(d)(6) of the Code, if any, following the transfer of assets from another plan in accordance with this subsection.

(3) Assets accepted under this section shall be fully vested and nonforfeitable.

(4) Eligible Employees who were active participants in the Hughes California Hourly Employees' Thrift and Savings Plan immediately prior to the Effective Date may elect to transfer their entire vested account balances in such plan, including after-tax contributions, to the Plan in accordance with this section 3.7(b).

3.8 Refund of Contributions to the Adopting Employers. Notwithstanding the provisions of ARTICLE XII, if, or to the extent that, any Adopting Employers' deductions for contributions made to the Plan are disallowed, such Adopting Employer will have the right to obtain the return of any such contributions for a period of one (1) year from the date of disallowance. For this purpose, all contributions are made subject to the condition that they are deductible under the Code for the taxable year of the Adopting Employers for which the contributions are made. Furthermore, any contribution made on the basis of a mistake in fact may be returned to the Adopting Employers within one (1) year from the date such contribution was made.

3.9 Payment. The Adopting Employers shall pay to the Trustee in U.S. currency, or by other property acceptable to the Trustee, all contributions for each Plan Year within the time prescribed by law, including extensions granted by the Internal Revenue Service for filing the federal income tax return of the Company for its taxable year in which such Plan Year ends. Unless designated by the Adopting Employers as nondeductible, all contributions made, other than Employee After-Tax Contributions, shall be deemed to be conditioned on their current deductibility under section 404 of the Code.

3.10 Limits for Highly Compensated.

(a) Elective Deferrals, Employee After-Tax Contributions, Matching Contributions and Qualified Nonelective Contributions allocable to the Accounts of Highly Compensated Employees shall not in any Plan Year exceed the limits specified in this section. The Administrator may make the adjustments authorized in this section to ensure that the limits of subsection (b) (or any other applicable limits) are not exceeded, regardless of whether such adjustments affect some Participants more than others. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) (1) The Actual Deferral Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A) one hundred twenty-five percent (125%) of the Actual Deferral Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Deferral Percentage for all other Eligible Participants or the Actual Deferral Percentage for the other Eligible Participants plus two (2) percentage points.

(2) The Actual Contribution Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A) one hundred twenty five percent (125%) of the Actual Contribution Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Contribution Percentage for all other Eligible Participants or the Actual Contribution Percentage for the other Eligible Participants plus two (2) percentage points.

(3) The sum of the Actual Deferral Percentage and the Actual Contribution Percentage for the Highly Compensated Employees shall not exceed, in any Plan Year, the sum of:

(A) one hundred twenty-five percent (125%) of the greater of:

(i) the Actual Deferral Percentage of the other Eligible Participants; or

(ii) the Actual Contribution Percentage of the other Eligible Participants; and

(B) two plus the lesser of:

(i) the amount in paragraph (3)(A)(i); or

(ii) the amount in paragraph (3)(A)(ii); provided that the amount in this paragraph (3)(B) shall not exceed two hundred percent (200%) of the lesser of the amount in paragraph (3)(A)(i) or the amount in paragraph (3)(A)(ii).

(4) The limitations under section 3.10(b)(3) shall be modified to reflect any higher limitations provided by the Internal Revenue Service under regulations, notices or other official statements.

(c) The following terms shall have the meanings specified:

(1) Actual Contribution Percentage. The average of the ratios for a designated group of Employees (calculated separately for each Eligible Participant in the group) of the sum of the Matching Contributions, Employee After-Tax Contributions, Qualified Nonelective Contributions (other than those treated as part of the Actual Deferral Percentage), and Elective Deferrals (other than those treated as part of the Actual Deferral Percentage) allocated for the applicable year on behalf of the Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Contribution Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Contribution Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(2) Actual Deferral Percentage. The average of the ratios for a designated group of Eligible Participants (calculated separately for each Eligible Participant in the group) of the sum of the Elective Deferrals and Qualified Nonelective Contributions (other than those treated as part of the Actual Contribution Percentage) allocated for the applicable year on behalf of a Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Deferral Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Deferral Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(3) Compensation. The Employee's wages that are required to be reported on IRS Form W-2, increased by any Elective Deferrals made by the Employer on behalf of the Employee under this Plan or any other plan of the Employer with a qualified cash or deferred arrangement under section 401(k) of the Code and any pre-tax elective contributions made by the Employer that are excludible from the Employee's income under section 125 of the Code.

(4) Eligible Participant. Any Employee of an Adopting Employer who is authorized under the terms of the Plan to make Elective Deferrals or have Qualified Nonelective Contributions allocated to his or her Account for the Plan Year.

(d) For purposes of determining whether a plan satisfies the Actual Contribution Percentage test of section 401(m), all employee and matching contributions that are made under two (2) or more plans that are aggregated for purposes of sections 401(a)(4) and 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(m), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(e) In calculating the Actual Contribution Percentage for purposes of section 401(m), the actual contribution ratio of a Highly Compensated Employee will be determined by treating all plans subject to section 401(m) under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single plan.

(f) For purposes of determining whether a plan satisfies the Actual Deferral Percentage test of section 401(k), all elective contributions that are made under two (2) or more plans that are aggregated for purposes of section 401(a)(4) or 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(k), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(g) In calculating the Actual Deferral Percentage for purposes of section 401(k), the actual deferral ratio of a Highly Compensated Employee will be determined by treating all cash or deferred arrangements under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single arrangement.

(h) An elective contribution will be taken into account under the Actual Deferral Percentage test of section 401(k)(3)(A) of the Code for a Plan Year only if it is allocated to the Employee as of a date within that Plan Year. For this purpose, an elective contribution is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date and the elective contribution is actually paid to the Trust no later than twelve (12) months after the Plan Year to which the contribution relates.

3.11 Correction of Excess Contributions.

(a) Excess Contributions shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Contributions as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) An Adopting Employer may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest Compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Contributions or Excess Deferrals (whether Elective Deferrals or Qualified Nonelective Contributions) allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may recharacterize any or all Excess Contributions for a Plan Year as Employee After-Tax Contributions in accordance with the provisions of this subsection. Any Excess Contributions that are so recharacterized shall be treated as if the Participant had elected to instead receive cash Compensation on the earliest date that any Elective Deferral made on behalf of the Participant during the Plan Year would have been received had the Participant originally elected to receive such amount in cash and then contributed such amount as an Employee After-Tax Contribution. To the extent required by the Internal Revenue Service, however, such recharacterized Excess Contributions shall continue to be treated as if such amounts were not recharacterized.

(2) The Administrator shall report any recharacterized Excess Contributions as Employee After-Tax Contributions to the Internal Revenue Service and to the affected Participants at such times and in accordance with such procedures as are required by the Internal Revenue Service. The Administrator shall take such other actions regarding the amounts so recharacterized as may be required by the Internal Revenue Service.

(3) Excess Contributions may not be recharacterized under this subsection more than two and one-half (21/2) months after the close of the Plan Year to which the recharacterization relates. Recharacterization is deemed to occur when the Participant is so notified (as required by the Internal Revenue Service).

(4) The amount of Excess Contributions to be distributed or recharacterized shall be reduced by Excess Deferrals previously distributed for the taxable year ending in the same Plan Year and Excess Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan beginning in such taxable year.

(f) (1) The Administrator may distribute any or all Excess Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. In the event of the termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2) (A) The income allocable to Excess Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to Elective Deferrals (and amounts treated as Elective Deferrals) by a fraction, the numerator of which is the Excess Contributions by the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to Elective Deferrals (and amounts treated as Elective Deferrals) as of the beginning of the Plan Year, increased by any Elective Deferrals (and amounts treated as Elective Deferrals) by the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's subaccounts in the following order:

(A) from the Participant's Elective Deferral Account (if such Excess Contribution is attributable to Elective Deferrals); and

(B) from the Participant's Qualified Nonelective Contribution account (if such Excess Contribution is attributable to Qualified Nonelective Contributions).

(g) (1) The term "Excess Contributions" shall mean, with respect to a Plan Year, the excess of the Elective Deferrals (including any Qualified Nonelective Contributions and Matching Contributions that are treated as Elective Deferrals under sections 401(k)(2) and 401(k)(3) of the Code) on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code. For this purpose, the maximum amount of contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code shall be determined in accordance with the leveling method prescribed in Treas. Regs. section 1.401(k)-1(f)(2), or such other method as promulgated thereafter.

(2) Any distribution or recharacterization of Excess Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed or recharacterized to the extent required to eliminate the Excess Contributions or, if it results in a lower distribution or recharacterization, to the extent required to cause such Highly Compensated Employees' contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Contributions are completely distributed or recharacterized.

(3) The amount of Excess Contributions to be distributed or recharacterized shall be reduced by Excess Deferrals previously distributed for the taxable year ending in the same Plan Year and Excess Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan beginning in such taxable year.

3.12 Correction of Excess Deferrals.

(a) Excess Deferrals shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Deferrals as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. A distribution of an Excess Deferral under this section may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code. This section shall be administered and interpreted in accordance with sections 401(k) and 402(g) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made before the close of the Applicable Taxable Year. Distributions under this subsection include income allocable to the Excess Distribution so distributed, as determined under this subsection.

(2) Distribution under this subsection shall only be made if all the following conditions are satisfied:

(A) the Participant seeking the distribution designates the distribution as an Excess Deferral;

(B) the distribution is made after the date the Excess Deferral is received by the Plan; and

(C) the Plan designates the distribution as a distribution of an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under subsection (d)(3), except that income shall only be determined for the period from the beginning of the Applicable Taxable Year to the date on which the distribution is made.

(d) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made after the close of the Applicable Taxable Year. Distribution under this subsection shall only be made if the Participant timely provides the notice required under subsection (d)(2) and such distribution is made after the Applicable Taxable Year and before the first April 15 following the close of the Applicable Taxable Year. Distributions under this subsection shall include income allocable to the Excess Deferrals so distributed, as determined under this subsection.

(2) Any Participant seeking a distribution of an Excess Deferral in accordance with this subsection must notify the Administrator of such request no later than the first March 15 following the close of the Applicable Taxable Year. The Administrator may agree to accept notification received after such date (but before the first April 15 following the close of the Applicable Taxable Year) if it determines that it would still be administratively practicable to make such distribution in view of the delayed notification. The notification required by this subsection shall be deemed made if a Participant's Elective Deferrals to the Plan in any Plan Year create an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under section 3.11(f)(2), except that the term "Excess Deferrals" shall be substituted for "Excess Contributions" and the term "Applicable Taxable Year" shall be substituted for "Plan Year." The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection.

(e) The following terms shall have the meanings specified:

(1) Applicable Taxable Year. The taxable year (for federal income tax purposes) of the Participant in which an Excess Deferral must be included in gross income (when made) in accordance with section 402(g) of the Code.

(2) Excess Deferral. A Participant's Elective Deferrals (and other contributions limited by section 402(g) of the Code), for an Applicable Taxable Year that are in excess of the limits imposed by section 402(g) of the Code for such Applicable Taxable Year.

3.13 Correction of Excess Aggregate Contributions.

(a) Excess Aggregate Contributions shall be corrected as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed to a Participant.

(c) (1) The Company may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Aggregate Contributions allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may forfeit any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. The amounts so forfeited shall not include any amounts that are nonforfeitable under ARTICLE V.

(2) Any forfeitures under this subsection shall be made in accordance with the procedures for distributions under subsection (f) except that such amounts shall be forfeited instead of being distributed.

(f) (1) The Administrator may distribute any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. Such distributions shall be specifically designated by the Administrator as a distribution of Excess Aggregate Contributions. In the event of the complete termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Aggregate Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2) (A) The income allocable to Excess Aggregate Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to employee contributions, matching contributions and amounts treated as matching contributions by a fraction, the numerator of which is the Excess Aggregate Contributions for the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to employee contributions, matching contributions and amounts treated as matching contributions as of the beginning of the Plan Year, increased by the employee contributions, matching contributions and amounts treated as matching contributions for the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's Account in the following order:

(A) from the Participant's Qualified Nonelective Contribution Account (if such Excess Aggregate Contribution is attributable to Qualified Nonelective Contributions);

(B) from the Participant's Employee After-Tax Contribution Account (if such Excess Aggregate Contribution is attributable to Employee After-Tax Contributions); and

(C) from the Participant's Matching Contribution Account (if such Excess Aggregate Contribution is attributable to Matching Contributions).

(g) (1) The term "Excess Aggregate Contributions" shall mean, with respect to a Plan Year, the excess of the aggregate amount of the matching contributions and employee contributions (including any Qualified Nonelective Contributions or elective deferrals taken into account in computing the Actual Contribution Percentage) actually made on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under section 401(m)(2)(A) of the Code. For this purpose, the maximum amount of contributions permitted under section 401(m)(2)(A) of the Code shall be determined in accordance with the leveling method described in section 3.11(g)(1) of the Plan.

(2) Any distribution of Excess Aggregate Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed to the extent required to eliminate the Excess Aggregate Contributions or, if it results in a lower distribution, to the extent required to cause such Highly Compensated Employees' contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Aggregate Contributions are completely distributed.

(3) The terms "employee contributions" and "matching contributions" shall, for purposes of this section, have the meanings set forth in Treas. Reg. 1.401(m)-1(f).

3.14 Correction of Multiple Use.

(a) If the limitations of Treas. Reg. 1.401(m)-2 are exceeded for any Plan Year, then correction shall be made in accordance with the provisions of this section. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) Any correction required by this section shall be calculated and administered in accordance with the provisions for correcting Excess Contributions (in section 3.11), Excess Aggregate Contributions (in section 3.13) or both, as the Administrator determines in its sole discretion. Any correction required by this section, to the extent possible, shall be made only with respect to those Highly Compensated Employees who are eligible in both the arrangement subject to section 401(k) of the Code and the Plan, as subject to section 401(m) of the Code.

ARTICLE IV
Investment of Accounts

4.1 Election of Investment Funds.

(a) Except as otherwise prescribed in subsections (b) and (c) below, upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Account be invested in increments of one percent (1%) in one or more of the following investment funds:

(1) Fund A. An equity fund designated by the Administrator;

(2) Fund B. A fixed income fund designated by the Administrator;

(3) Fund C. Common Stock fund;

(4) Fund D. A stock index fund designated by the Administrator;

(5) Fund E. A balanced fund designated by the Administrator;

(6) Fund F. A growth fund designated by the Administrator, investing primarily in equities of companies of all types and sizes;

(7) Fund G. A growth fund designated by the Administrator, investing primarily in equities of well-known and established companies;

(8) Fund H. General Motors Class H stock fund;

(9) Fund I. Raytheon Company Class A stock fund.

(b) Amounts contributed to a Participant's Matching Contribution Account must be invested in Fund C (Common Stock fund) until the end of two (2) full Plan Years following the Plan Year for which such contributions are made. Thereafter, a Participant may designate the investment of the Matching Contribution funds in accordance with the provisions of subsection (a) above.

(c) The only assets that may be invested in Fund H or Fund I are the General Motors Class H stock and cash directly transferred from the Hughes California Hourly Employees' Thrift and Savings Plan pursuant to section 3.7(b)(4). A Participant may not direct that any other funds in the Participant's Account be invested in Fund H or Fund I. Notwithstanding subsection (d) below, the Administrator shall maintain Fund H and Fund I as investment options under the Plan, subject to the limitations prescribed in this subsection (c), for five (5) complete Plan Years following the Effective Date; provided, however, that if at any time prior to the expiration of such five (5) year period, the aggregate fair market value of the assets invested in either Fund H or Fund I falls below five percent (5%) of the highest fair market value of the assets invested in Fund H or Fund I, respectively, the Administrator may, with six (6) months written notice to affected Participants, eliminate Fund H or Fund I, as applicable, as investment options under the Plan. Notwithstanding the foregoing, the Administrator may eliminate one or both funds at any time if the Administrator determines in good faith that such elimination is necessary under applicable law (including without limitation the prudence requirements of ERISA). When Fund H and Fund I are eliminated in accordance with this section 4.1(c), Participants with assets invested in Fund H or Fund I, as applicable, shall direct the transfer of such assets to other funds available under the Plan or, if no such election is made, the Administrator shall transfer such assets to Fund B or a similar low risk fixed income fund as determined by the Administrator in its discretion.

(d) In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion.

(e) Except as otherwise prescribed in subsections (b) and (c) above, a Participant's investment election will apply to the entire Account of the Participant.

(f) In establishing rules and procedures under section 4.1, the following shall apply:

(1) Each Participant, Beneficiary or Alternate Payee shall affirmatively elect to self-direct the investment of assets in his or her Account, but such election may provide for default investments in the absence of specific directions from such Participant, Beneficiary or Alternate Payee.

(2) The investment directions of a Participant shall continue to apply after that Participant's death or incompetence until the Beneficiary (or, if there is more than one Beneficiary for that Account, all of the Beneficiaries), guardian or other representatives provide contrary direction.

(3) The Administrator may decline to implement investment designations if such investment, in the Administrator's judgment:

(A) would result in a prohibited transaction under section 4975 of the Code;

(B) would generate income taxable to the Trust Fund;

(C) would not be in accordance with the Plan and Trust;

(D) would cause a Fiduciary to maintain the indicia of ownership of any assets of the Trust Fund outside the jurisdiction of the district courts of the United States other than as permitted by section 404(b) of ERISA and Labor Reg. 2550.404(b)-1;

(E) would jeopardize the Plan's tax qualified status under the Code;

(F) could result in a loss in excess of the amount credited to the Account; or

(G) would violate any other requirements of the Code or ERISA.

(4) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator may establish reasonable restrictions on the frequency with which investment directions may be given, consistent with section 404(c) of ERISA.

(5) The Administrator may establish limits on the use of brokers, investment counsel or other advisors that may be utilized, including specifying that all investments must be made through a designated broker or brokers.

(6) The Administrator may establish limits on the types of investments that are permitted.

(g) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator shall establish such rules and procedures as may be advisable or necessary to carry out the provisions of this section, with such rules and procedures being consistent with section 404(c) of ERISA.

(h) The Administrator shall establish such rules and procedures as may be advisable or necessary to reasonably ensure that all transactions involving the investment funds comply with all applicable laws, including the securities laws.

4.2 Change in Investment Allocation of Future Deferrals. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to change the investment allocation of future contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to the Recordkeeper. Any changes must be made either in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3 Transfer of Account Balances Between Investment Funds. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to transfer all or a portion of the amount in his or her Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to the Recordkeeper. In determining the amount of the transfer, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to the Recordkeeper.

4.4 Ownership Status of Funds. The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D, E, F, G, H and I and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, in a cash amount and shall reflect each Participant's portion of Funds C, H and I in cash and unitized shares of stock.

4.5 Voting Rights. Participants whose Account has shares of participation in Funds C or I on the last business day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in Funds C or I, as applicable, by the closing price of the respective classes of stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote the Participant's shares as recommended by management. In addition, each Participant shall have the right to accept or reject any tender or exchange offer for shares of the respective classes of stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of the respective classes of stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from an individual Participant shall be held in confidence by the Trustee and shall not be divulged to the Adopting Employers or to any officer or employee thereof or to any other person.

4.6 Allocation of Earnings.

(a) (1) The Administrator, as of each Valuation Date, shall adjust the amounts credited to the Accounts (including Accounts for persons who are no longer Employees) so that the total of such Account balances equals the fair market value of the Trust Fund assets as of such Valuation Date. Except as otherwise provided herein, any changes in the fair market value of the Trust Fund assets since the preceding Valuation Date shall be charged or credited to each Account in the ratio that the balance in each such Account as of the preceding Valuation Date bears to the balances in all Accounts as of that Valuation Date with appropriate adjustments to reflect any distributions, allocations or similar adjustments to such Account or Accounts since that Valuation Date.

(2) To the extent that separate investment funds are established (as provided in section 4.1), the adjustments required by subsection (a)(1) shall be made by applying subsection (a)(1) separately for each such investment fund so that any changes in the net worth of each such investment fund are charged or credited to the portion of each Account invested in such investment fund in the ratio that the portion of each such Account invested in such investment fund as of the preceding Valuation Date (reduced by any distributions made from that portion of such Account since that Valuation Date) bears to the total amount credited to such investment funds as of that Valuation Date (reduced by distributions made from such investment fund since that Valuation Date).

(3) Interim valuations, in accordance with the foregoing procedure, may be made at such time or times as the Administrator directs.

(b) The Administrator may, in its sole discretion, direct the Trustee to segregate and separately invest any Trust Fund assets. If any assets are segregated in this fashion, the earnings or losses on such assets shall be determined apart from other Trust assets and shall be adjusted on each Valuation Date, or at such other times as the Administrator deems necessary, in accordance with this section.

ARTICLE V
Vesting

5.1 Elective Deferral, Employee After-Tax Contributions, Rollover Contribution and Qualified Nonelective Contribution Accounts. Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Elective Deferral, Employee After-Tax Contribution, Rollover Contribution and Qualified Nonelective Contribution Accounts.

5.2 Matching Contribution Account.

(a) Each Participant shall have a Nonforfeitable right to his or her Matching Contribution Account upon the earliest of:

(1) the Participant's completion of a Period of Service of five (5) years;

(2) the Participant's completion of a Period of Participation of three (3) years;

(3) the Participant's Retirement, death while an Employee, Disability or attainment of Normal Retirement Age; or

(4) the Participant's Layoff or Severance from Service due to Qualified Military Service.

5.3 Break in Service Rules

(a) Periods of Service. In determining the length of a Period of Service, the Administrator shall include all Periods of Service, except the following Periods of Service shall not be taken into account:

(1) in the case of a Participant who has not made Elective Deferrals to the Plan, the Period of Service before any Period of Severance which equals or exceeds five (5) consecutive years; and

(2) in the case of a Participant who has made Elective Deferrals to the Plan and who has incurred a Period of Severance which equals or exceeds five (5) years, the Period of Service after such Period of Severance shall not be taken into account for purposes of determining the nonforfeitable interest of such Participant in the Matching Contributions allocated to his or her Account before such Period of Severance.

(b) Periods of Severance. In determining the length of a Period of Service for purposes of section 14.40, the Administrator shall include any period of time beginning on an Employee's Severance from Service Date and ending on the date on which he or she is next credited with an Hour of Service, provided that such Hour of Service is credited within the twelve-(12) consecutive month period following such Severance from Service Date.

(c) Other Periods. In making the determinations described in subsections (a) and (b) of this section, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE VI
Withdrawals and Distribution of Benefits

6.1 In-Service Withdrawals - Matching Contributions. Upon completion of a Period of Participation of five (5) years, a Participant may withdraw, subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or part of the Participant's Matching Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.16. Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator will be made in cash; withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or uninvested shares) as directed by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Matching Contribution Account.

6.2 In-Service Withdrawals -- Elective Deferral and Qualified Nonelective Contribution Accounts. While an Employee, a Participant may withdraw all or a portion of his or her Elective Deferral Account and Qualified Nonelective Contribution Account on or after attainment of age fifty-nine and one-half (591/2).

6.3 In-Service Withdrawal -- Hardship.

(a) A Participant who has experienced a hardship, as described in this section, may withdraw from his or her Elective Deferral Account amounts attributable to Elective Deferrals (adjusted for net losses, if any). Whether a Participant is entitled to a withdrawal under this section is to be determined by the Administrator in accordance with nondiscriminatory and objective standards. In order to be entitled to a hardship withdrawal under this section, a Participant must satisfy the requirements of both subsection (b) and subsection (c).

(b) A Participant will be deemed to have experienced an immediate and heavy financial need necessary to satisfy the requirements of this subsection if the withdrawal is on account of:

(1) medical expenses described in section 213(d) of the Code incurred by the Participant, the Participant's spouse or any dependents of the Participant;

(2) the purchase (excluding mortgage payments) of a principal resident of the Participant;

(3) payment of tuition for the next twelve (12) months of post-secondary education for the Participant or his or her spouse, children or dependents; or

(4) the need to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage of the Participant's principal residence.

(c)(1) A withdrawal under this subsection will be deemed necessary to satisfy an immediate and heavy financial need of the Participant if it satisfies the requirements of this subsection. To the extent the amount of the withdrawal would be in excess of the amount required to relieve the financial need of the Participant or to the extent such need may be satisfied from other resources that are reasonably available to the Participant, such withdrawal shall not satisfy the requirements of this subsection. For purposes of this subsection, a Participant's resources shall be deemed to include those assets of his or her spouse or minor children that are reasonably available to the Participant.

(2) A withdrawal may be treated as necessary to satisfy a financial need if the Administrator reasonably relies upon the Participant's representation that the need cannot be relieved:

(A) through reimbursement or compensation by insurance or otherwise;

(B) by reasonable liquidation of the Participant's assets to the extent such liquidation would not itself cause an immediate and heavy financial need;

(C) by cessation of Elective Deferrals under the Plan for at least twelve (12) months after receipt of the hardship withdrawal;

(D) by other distributions or nontaxable (at the time of the loan) loans from plans maintained by the Adopting Employers or by any other employer or by borrowing from commercial sources on reasonable commercial terms.

(d) If a Participant receives a withdrawal for reasons of financial hardship, the Participant's Elective Deferrals shall be reduced to four percent (4%) (or such lower percentage as the Participant shall thereafter designate), if in excess thereof as of the date of the distribution, and shall not be increased during the twelve (12) months immediately subsequent to the date of distribution.

(e) Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

(f) Withdrawals will be based upon the value of the Account as determined under section 6.16.

(g) Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal.

(h) Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

(i) Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Elective Deferral Account.

6.4 In-Service Withdrawal -- Rollover Contribution Account. A Participant may withdraw all or a portion of his or her Rollover Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.16. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant. Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

6.5 In-Service Withdrawals -- Employee After-Tax Contributions. A Participant may withdraw all or a portion of his or her Employee After-Tax Contributions. Withdrawals will be based upon the value of the Account as determined under section 6.16. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

6.6 Redeposits Prohibited. No amount withdrawn pursuant to sections 6.1, 6.2, 6.3, 6.4 or 6.5 may be redeposited in the Plan.

6.7 Distribution of Benefits.

(a) All benefits payable under this Plan shall be paid in the manner and at the times specified in this ARTICLE. Any payments to Participants or Beneficiaries shall be made in cash (or cash equivalents) except as otherwise provided herein. Distributions may be made wholly or partly by an in-kind distribution of assets held by the Trust Fund if the distributee consents to such an in-kind distribution and the Administrator determines that such an in-kind distribution is not administratively burdensome.

(b) All payment methods and distributions shall comply with the requirements of sections 401(a)(4) and 401(a)(9) of the Code and the regulations thereunder and, if necessary, shall be interpreted to so comply. The provisions of this ARTICLE apply to all amounts credited to an Account, regardless of the source of such amounts. All distributions shall comply with the incidental death benefit requirement of section 401(a)(9)(G) of the Code. Distributions shall comply with the regulations under section 401(a)(9) of the Code, including Treas. Reg. 1.401(a)(9)-2. The provisions of the Plan reflecting section 401(a)(9) of the Code override any distribution provisions in the Plan inconsistent with section 401(a)(9).

(c) Distribution of the Participant's Account (to which the Participant has a Nonforfeitable right) will be made at the direction of the Participant (or his or her legal representative or Beneficiary in the case of his or her Disability or death) upon the Retirement, Disability, death or Severance from Service of the Participant. In the event the Participant dies or his or her Severance from Service occurs after his or her Normal Retirement Age, or if the value of the Nonforfeitable portion of the Participant's Account as of the Valuation Date which coincides with or immediately precedes the date of distribution is not in excess of three thousand five hundred dollars ($3,500), the Administrator shall cause the distribution to automatically be made.

(d) Payment will be made in the form of a lump-sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right), which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant to the Recordkeeper for the distribution. Distributions will be based upon the value of the Account as determined under section 6.16. Distribution of the amounts in said accounts in the funds designated in Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Distribution of the amounts in Funds C, H and I (if any) will be made in either cash or stock, at the election of the Participant or, in the case of death, the Participant's Beneficiary. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of his or her Account is to be made, such payment shall be made in a lump-sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary notwithstanding: the Participant's (1) spouse, (2) children and issue of deceased children by right of representation, (3) parents, (4) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (5) executors or administrators. If no Beneficiary can be located during a period of seven (7) years from the date of death, the amount of the distribution shall revert to the Trust and be treated in the same manner as a forfeiture under section 3.6.

(e) If the Participant dies before the time when distribution is considered to have commenced in accordance with applicable regulations, then any remaining portion of the Participant's interest will be distributed within five (5) years after the Participant's death. If a distribution is considered to have commenced in accordance with the applicable regulations before the Participant's death, the remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the Participant's death.

(f) Except as provided by section 401(a)(9) of the Code as set forth in this section, benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(1) attainment by the Participant of Normal Retirement Age;

(2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or

(3) Participant's Severance from Service.

6.8 Mandatory Distributions.

A Participant who has attained age seventy and one-half (701/2) and is subject to the mandatory distribution requirements of section 401(a)(9) shall receive a lump sum distribution of the Participant's Account (to which the Participant has a nonforfeitable right) at the time distributions must commence in order to comply with such requirements. If additional amounts are allocated to the Participant's Account following such lump sum distribution, additional lump sum distributions of the Participant's Account (to which the Participant has a nonforefeitable right) shall be made at such times any mandatory distributions are required to comply with section 401(a)(9). Such payments shall be made notwithstanding any contrary provisions of the Plan or election made by such Participant.

6.9 Commencement of Benefits.

(a) Except as otherwise provided in this ARTICLE, distribution to a Participant (or Beneficiary) shall commence within a reasonable period of time following the Participant's Retirement, Disability, death or Severance from Service.

(b) If the vested amount in the Participant's Account exceeds or ever exceeded three thousand five hundred dollars ($3, 500), then payment to the Participant shall not commence before such Participant has attained age sixty-five (65), unless the Participant requests an earlier distribution. Such request must be made not more than ninety (90) days before the commencement of the distribution.

6.10 Payments to Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is adjudicated to be legally incapable of giving valid receipt and discharge for such benefits, the benefits may be paid to the duly authorized personal representative of such Participant or Beneficiary.

6.11 Income Tax Withholding. To the extent required by section 3405 of the Code, distributions and withdrawals from the Plan shall be subject to federal income tax withholding.

6.12 Direct Rollovers.

(a) A Participant may elect that all or any portion of a distribution that would otherwise be paid as an Eligible Rollover Distribution shall instead be transferred as a Direct Rollover.

(b)(1) The Administrator shall determine and apply rules and procedures as it deems reasonable with respect to Direct Rollovers in addition to, or in lieu of, those set forth in subsection (b)(2). The Administrator may change such rules and procedures from time to time and shall not be bound by any previous rules and procedures it has applied.

(2) Unless otherwise determined by the Administrator, the following rules and procedures shall apply to this section:

(A) A Direct Rollover shall not be permitted to more than one Eligible Retirement Plan.

(B) A Direct Rollover shall not be permitted if it constitutes less than the full amount of the Eligible Rollover Distribution.

(c) The following terms shall have the meanings specified:

(1) Direct Rollover. An available distribution that is paid directly to an Eligible Retirement Plan for the benefit of the distributee.

(2) Distributee. A Participant or former Participant. In addition, the Participant's or former Participant's Surviving Spouse or former spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

(3) Eligible Retirement Plan. An individual retirement account described in section 408(a) of the Code, an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code if such qualified trust is part of a plan that permits acceptance of Direct Rollovers or an annuity plan described in section 403(a) of the Code. In the case of a Direct Rollover for the benefit of the spouse or former spouse of a Participant, the term "Eligible Retirement Plan" shall only include an individual retirement account described in section 408(a) of the Code and an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code.

(1) Eligible Rollover Distribution. Any distribution under the Plan to a Participant, a Participant's spouse or a Participant's former spouse, except for the following:

(A) Any distribution to the extent the distribution is required under section 401(a)(9) of the Code.

(B) The portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation described in section 402(e)(4) of the Code).

(C) Returns of elective deferrals described in Treas. Reg. 1.415-6(b)(6)(iv) that are returned as a result of the limitations under section 415 of the Code.

(D) Corrective distributions of excess contributions and excess deferrals under qualified cash or deferred arrangements as described in Treas. Reg. 1.401(k)-1(f)(4) and 1.402(g)-1(e)(3), respectively, and corrective distributions of excess aggregate contributions as described in Treas. Reg. 1.401(m)-1(e)(3), together with the income allocable to these corrective distributions.

(E) Loans treated as distributions under section 72(p) of the Code and not excepted by section 72(p)(2) of the Code.

(F) Loans in default that are deemed distributions.

(G) Dividends paid on employer securities as described in section 404(k) of the Code.

(H) The costs of life insurance coverage.

(I) Similar items designated by the Internal Revenue Service in revenue rulings, notices, and other guidance of general applicability.

6.13 Notice and Payment Elections.

(a) The Administrator shall provide Participants or other Distributees of Eligible Rollover Distributions with a written notice designed to comply with the requirements of section 402(f) of the Code. Such notice shall be provided within a reasonable period of time before making an Eligible Rollover Distribution.

(b) Any elections concerning the payment of benefits under section 6.7 shall be made on a form prescribed by the Administrator. The Participant or other Distributee shall submit a completed form to the Administrator at least thirty (30) days before payment is scheduled to commence, unless the Administrator agrees to a shorter time period. Any election made under this section shall be revocable until thirty (30) days before payment is scheduled to commence.

(c) An election to have payment made in a Direct Rollover shall only be valid if the Participant or other Distributee provides adequate information to the Administrator for the implementation of such Direct Rollover and such reasonable verification as the Administrator may require that the transferee is an Eligible Retirement Plan.

6.14 Qualified Domestic Relations Orders.

(a) Notwithstanding any contrary provision of the Plan, payments shall be made in accordance with any judgment, decree or order determined to be a Qualified Domestic Relations Order.

(b)(1) If the Plan receives a Domestic Relations Order, the Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and of the Plan's procedures for determining whether such order is a Qualified Domestic Relations Order. The Administrator shall, within a reasonable period after receipt of such order, determine whether it is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of that determination.

(2) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined, the Administrator shall separately account for the amounts that would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order.

(c)(1) A Domestic Relations Order meets the requirements of this subsection only if such order clearly specifies the following:

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order;

(B) the amount or the percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee or the manner in which such amount or percentage is to be determined;

(C) the number of payments or period to which such order applies; and

(D) each plan to which such order applies.

(2) A Domestic Relations Order meets the requirements of this subsection only if such order does not:

(A) require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan;

(B) require the Plan to provide increased benefits (determined on the basis of actuarial value); and

(C) does not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(d) A domestic relations order shall not be treated as failing to meet the requirements of section 6.14(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee:

(1) in the case of any payment before a Participant has separated from service, on or after the date on which the Participant attains (or would have attained) the Earliest Retirement Date;

(2) as if the Participant had retired on the date on which such payment is to begin under such order (but taking into account only the present value of the benefits actually accrued and not taking into account the present value of any employer subsidy for early retirement); and

(3) in any form in which such benefits may be paid under the Plan to the Participant (other than in the form of a qualified joint and survivor annuity with respect to the Alternate Payee and his or her subsequent spouse).

(e) A domestic relations order shall not be treated as failing to meet the requirements of section 6.14(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee at a date before the Participant is entitled to receive a distribution. Such distribution shall be made to such Alternate Payee notwithstanding any contrary provision of the Plan.

(f) The following terms shall have the meanings specified:

(1) Alternate Payee. Any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to benefits under the Plan with respect to such Participant.

(2) Domestic Relations Order. A judgment, decree or order relating to child support, alimony or marital property rights, as defined in section 414(p)(1)(B) of the Code.

(3) Earliest Retirement Date. The earlier of:

(A) the date on which the Participant is entitled to a distribution under the Plan; or

(B) the later of:

(i) the date the Participant attains age fifty (50); or

(ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service.

(4) Qualified Domestic Relations Order. A Domestic Relations Order that satisfies the requirements of subsection (c) and section 414(p)(1)(A) of the Code.

(g) If an Alternate Payee entitled to payment under this section is the spouse or former spouse of a Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion, of such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.12.

(h) If a Domestic Relations Order directs that payment be made to an Alternate Payee before the Participant's Earliest Retirement Date and such Domestic Relations Order otherwise qualifies as a Qualified Domestic Relations Order, then the Domestic Relations Order shall be treated as a Qualified Domestic Relations Order and such payment shall be made to the Alternate Payee, even though the Participant is not entitled to receive a distribution under the Plan because he or she continues to be an Employee of one of the Adopting Employers.

(i) This section shall be interpreted and administered in accordance with section 414(p) of the Code.

6.15 Lost Beneficiaries.

(a) All Participants and Beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid.

(b) If any amount is payable to a Participant or Beneficiary who cannot be located to receive such payment, such amount may, at the discretion of the Administrator, be forfeited; provided, however, that if such Participant or Beneficiary subsequently claims the forfeited amount, it shall be reinstated and paid to such Participant or Beneficiary. Such reinstatement may, in the Administrator's sole discretion, be made from Company Contributions, forfeitures or Trust earnings, and shall be treated as a special allocation that supersedes the normal allocation rules.

(c) If the Administrator has not, after due diligence, located a Participant or Beneficiary who is entitled to payment within three (3) years after the Participant's Severance from Service, then, at the discretion of the Administrator, such person may be presumed deceased for purposes of this Plan. Any such presumption of death shall be final, conclusive and binding on all parties.

6.16 Determination of Amount of Withdrawal or Distribution. In determining the amount of any withdrawal or distribution hereunder, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day.

6.17 Offsets. Any transfers or payments made from a Participant's Account to a person other than the Participant pursuant to the provisions of this Plan shall reduce the Participant's Account and offset any amounts otherwise due to such Participant. Such transfers or payments shall not be considered a forfeiture for purposes of the Plan.

ARTICLE VII
Loans

7.1 Availability of Loans. Participants may borrow against all or a portion of the balance in the Participant's Elective Deferral Account, Employee After-Tax Contribution Account and Rollover Contribution Account, and the Matching Contribution Account if the Participant has a Nonforfeitable right thereto pursuant to section 5.2, subject to the limitations set forth in this ARTICLE. Participants who have incurred a Severance from Service will not be eligible for a Plan loan. The Vice President, Human Resources, is authorized to administer this loan program.

7.2 Minimum Amount of Loan. No loan of less than five hundred dollars ($500) will be permitted.

7.3 Maximum Amount of Loan. No loan in excess of fifty percent (50%) of the Participant's Nonforfeitable Account balance will be permitted. In addition, limits imposed by the Code and any other requirements of applicable statute or regulation will be applied. Under the current requirements of the Code, if the aggregate value of a Participant's Nonforfeitable Account balance exceeds twenty thousand dollars ($20,000), the loan cannot exceed the lesser of one-half (1/2) the Participant's Nonforfeitable Account balance or fifty thousand dollars ($50,000) reduced by the excess of (a) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan was made over (b) the outstanding balance of loans from the Plan on the date on which such loan was made.

7.4 Effective Date of Loans. Loans will be effective as specified in the Administrator's rules then in effect.

7.5 Repayment Schedule. The Participant may select a repayment schedule of one, two, three, four or five (1, 2, 3, 4 or 5) years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to fifteen (15) years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Adopting Employers, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump-sum. The minimum repayment amount per pay period is ten dollars ($10) for Participants paid weekly and fifty dollars ($50) for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan. Loan repayments will be suspended under this Plan as permitted under section 414(u) of the Code.

7.6 Limit on Number of Loans. No more than two (2) loans may be outstanding at any time.

7.7 Interest Rate. The interest rate for a loan pursuant to this ARTICLE will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective at any time during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective at any time during the period January 1 through June 30 thereafter.

7.8 Effect Upon Participant's Elective Deferral Account. Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Accounts in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Matching Contribution Account; Elective Deferral Account; Rollover Contribution Account; and Employee After-Tax Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in the reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9 Effect of Severance From Service and Nonpayment. In the event that a loan remains outstanding upon the Severance from Service of a Participant, the Participant will be given the option of continuing to repay the outstanding loan. In any case where payments on the outstanding loan are not made within ninety (90) days of the Participant's Severance from Service Date, the amount of any unpaid principal will be deducted from the Participant's account and reported as a distribution. If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after the Participant returns to active employment with the Employer, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension. In the event the Participant does not return to active employment with the Employer, the Participant will be given the option of continuing to repay the outstanding loan. If the Participant fails to resume payments on the loan, the outstanding loan will be reported as a taxable distribution. In no event, however, shall the loan be deducted from the Participant's Account earlier than the date on which the Participant (i) incurs a Severance from Service, or, (ii) attains age fifty-nine and one-half (59-1/2).

ARTICLE VIII
Contribution and Benefit Limitations

8.1 Contribution Limits.

(a) The Annual Additions that may be allocated to a Participant's Account for any Limitation Year shall not exceed the lesser of:

(1) thirty thousand dollars ($30,000); or

(2) twenty-five percent (25%) of the Participant's Compensation for that Limitation Year.

(b) If the Employer maintains any other Defined Contribution Plans then the limitations in subsection (a) shall be computed with reference to the aggregate Annual Additions for each Participant from all such Defined Contribution Plans.

(c) If the Annual Additions for a Participant would exceed the limits specified in this section, then the Annual Additions under this Plan for that Participant shall be reduced to the extent necessary to prevent such limits from being exceeded. Such reduction shall be made in accordance with section 8.4.

8.2 Overall Limits.

(a) If a Participant is participating in both a Defined Contribution Plan and a Defined Benefit Plan of the Employer, then the sum of the Defined Contribution Fraction and the Defined Benefit Fraction for any Limitation Year shall not exceed 1.0.

(b) If the sum of the Defined Contribution Fraction and the Defined Benefit Fraction would exceed 1.0, then the annual benefits under the Defined Benefit Plan shall be reduced to the extent necessary so that the sum of such fractions does not exceed 1.0.

8.3 Annual Adjustments to Limits. The dollar limits for Annual Additions and the dollar limits in the Defined Benefit Fraction and Defined Contribution Fraction shall be adjusted for cost-of-living to the extent permitted under section 415 of the Code.

8.4 Excess Amounts.

(a) The foregoing limits shall be limits on the allocation that may be made to a Participant's Account in any Limitation Year. If an excess Annual Addition would otherwise result from allocation of forfeitures, reasonable errors in determining Compensation or other comparable reasons, then the Administrator may take any (or all) of the following steps to prevent the excess Annual Additions from being allocated:

(1) return any contributions from the Participant, as long as such return is nondiscriminatory;

(2) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against Matching Contributions for that Participant made in succeeding years;

(3) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against succeeding year Matching Contributions;

(4) reallocate the excess amounts to other Participants.

(b) Any suspense account established under this section shall not be credited with income or loss unless otherwise directed by the Administrator. If a suspense account under this section is to be applied in a subsequent Limitation Year, then the amounts in the suspense account shall be applied before any Annual Additions (other than forfeitures) are made for such Limitation Year.

8.5 Definitions.

(a) The following terms shall have the meanings specified:

(1) Annual Addition. The sum for any Limitation Year of additions (not including Rollover Contributions) to a Participant's Account as a result of:

(A) Employer contributions (including Matching Contributions, Qualified Nonelective Contributions and Elective Deferrals);

(B) Employee contributions;

(C) forfeitures; and

(D) amounts described in Code sections 415(l)(1) and 419A(d)(2).

(2) Defined Benefit Fraction. A fraction, the numerator of which is the Projected Annual Benefit of the Participant under all Defined Benefit Plans of the Employer (determined as of the close of the Limitation Year) and the denominator of which is the Projected Annual Benefit the Participant would have under such plans (determined as of the close of the Limitation Year) if such plans provided an annual benefit equal to the lesser of:

(A) the product of 1.25 multiplied by ninety thousand dollars ($90,000); or

(B) the product of 1.4 multiplied by one hundred percent (100%) of the Participant's average Compensation for the Participant's three (3) consecutive Years of Service that produce the highest average Compensation.

For purposes of determining the Defined Benefit Fraction of a Participant who was employed by an Adopting Employer on December 18, 1997 or who transferred to an Adopting Company from General Motors Corporation or one of its affiliates after such date and before December 1, 1998, service for and Compensation received from General Motors Corporation and its affiliates, if any, shall be taken into account, and the Projected Annual Benefit under any Defined Benefit Plan of the Employer shall not be reduced as a result of the transfer of any assets or liabilities from a Defined Benefit Plan maintained by General Motors Corporation and its affiliates.

(3) Defined Benefit Plan. Any plan qualified under section 401(a) of the Code that is not a Defined Contribution Plan.

(4) Defined Contribution Fraction. A fraction, the numerator of which is the sum of the Annual Additions to the Participant's Accounts as of the close of the Limitation Year, and the denominator of which is equal to the sum of the lesser of the following amounts determined for such Limitation Year and for each prior year of service with the Employer:

(A) the product of 1.25 multiplied by thirty thousand dollars ($30,000); or

(B) the product of 1.4 multiplied by twenty-five percent (25%) of the Participant's Compensation.

For purposes of determining the Defined Contribution Fraction of a Participant, services performed for, Compensation paid by and Annual Additions made by General Motors Corporation or any of its affiliates shall not be taken into account.

(5) Defined Contribution Plan. A plan qualified under section 401(a) of the Code that provides an individual account for each Participant and benefits based solely on the amount contributed to the Participant's Account, plus any income, expenses, gains and losses, and forfeitures of other Participants which may be allocated to such Participant's account.

(6) Limitation Year. The Plan Year, until the Employer adopts a different Limitation Year.

(7) Projected Annual Benefit. The annual benefit to which a Participant would be entitled, assuming:

(A) the Participant continues in employment until Normal Retirement Age under the Plan;

(B) the Participant's Compensation for the Limitation Year remains the same until such Normal Retirement Age; and

(C) all other relevant factors under the Plan for the Limitation Year will remain constant.

(b) For purposes of this ARTICLE, the term "Compensation" shall mean all amounts paid to an Employee for personal service actually rendered to the Employer, including, but not limited to, wages, salary, commissions, bonuses, overtime and other premium pay as specified in Treas. Reg. 1.415-2(d)(2), but excluding deferred compensation, stock options, and other distributions that receive special tax treatment as specified in Treas. Reg. 1.415-2(d)(3). For Plan Years beginning after 1997, Compensation for this purpose will include salary reduction amounts under section 125 cafeteria plans and section 401(k), 403(b) and 457 plans. This definition shall be interpreted in a manner consistent with the requirements of section 415 of the Code.

ARTICLE IX
Top-Heavy Rules

9.1 General. This ARTICLE shall only be applicable if the Plan becomes a Top-Heavy Plan under section 416 of the Code. If the Plan does not become a Top-Heavy Plan, then none of the provisions of this ARTICLE shall be operative. The provisions of this ARTICLE shall be interpreted and applied in a manner consistent with the requirements of section 416 of the Code and the regulations thereunder.

9.2 Vesting.

(a) If the Plan becomes a Top-Heavy Plan, then amounts in a Participant's Account attributable to Matching Contributions shall be vested in accordance with this section, in lieu of ARTICLE V, to the extent this section produces a greater degree of vesting. This section shall only apply to Participants who have at least an Hour of Service after the Plan becomes a Top-Heavy Plan.

(b) If applicable, amounts in a Participant's Account attributable to Matching Contributions shall vest as follows:

Years of Top Heavy Service	Vested Percentage
Fewer than 3	0%
3 or more	100%

(c) If the Plan ceases to be a Top-Heavy Plan then subsection (b) shall no longer be applicable; provided, however, that in no event shall the vested percentage of any Participant be reduced by reason of the Plan ceasing to be a Top-Heavy Plan. Subsection (b) shall nevertheless continue to apply for any Participant who was previously covered by it and who has at least three (3) Years of Top-Heavy Service.

9.3 Minimum Contribution.

(a) For each Plan Year that the Plan is a Top-Heavy Plan, the Adopting Employers shall make a contribution to be allocated directly to the Account of each Non-Key Employee.

(b) The amount of the contribution (and forfeitures) required to be contributed and allocated for a Plan Year by this section is three percent (3%) of the Top-Heavy Compensation for that Plan Year of each Non-Key Employee who is both a Participant and an Employee on the last day of the Plan Year for which the contribution is made, with adjustments as provided herein. If the contribution allocated to the Accounts of each Key Employee for a Plan Year is less than three percent (3%) of his or her Top-Heavy Compensation, then the contribution required by the preceding sentence shall be reduced for that Plan Year to the same percentage of Top-Heavy Compensation that was allocated to the Account of the Key Employee whose Account received the greatest allocation of contributions for that Plan Year, when computed as a percentage of Top-Heavy Compensation.

(c) The contribution required by this section shall be reduced for a Plan Year to the extent of any Company Contributions made and allocated under this Plan or any other contributions from the Adopting Employers made and allocated under this or any other Aggregated Plans. Elective Deferrals shall be treated as if they were Company Contributions for purposes of determining any minimum contributions required under subsection (b).

9.4 Definitions.

(a) The following terms shall have the meanings specified herein:

(1) Aggregated Plans.

(A) The Plan, any plan that is part of a "required aggregation group" and any plan that is part of a "permissive aggregation group" that the Adopting Employers treat as an Aggregated Plan.

(B) The "required aggregation group" consists of each plan of the Adopting Employers in which a Key Employee participates (in the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years) and each other plan of the Adopting Employers which enables any plan of the Adopting Employers in which a Key Employee participates to meet the requirements of section 401(a)(4) or section 410(b) of the Code. Also included in the required aggregation group shall be any terminated plan that covered a Key Employee and was maintained within the five (5) year period ending on the Determination Date.

(C) The "permissive aggregation group" consists of any plan not included in the "required aggregation group" if the Aggregated Plan described in subparagraph (A) above would continue to meet the requirements of section 401(a)(4) and 410 of the Code with such additional plan being taken into account.

(2) Determination Date. The last day of the preceding Plan Year, or, in the case of the first plan year of any plan, the last day of such plan year. The computations made on the Determination Date shall utilize information from the immediately preceding Valuation Date.

(3) Key Employee.

(A) An Employee (or former Employee) who, at any time during the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years, is:

(i) An officer of one of the Adopting Employers with annual Top-Heavy Compensation for the Plan Year greater than fifty percent (50%) of the amount in effect under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(ii) one of the ten (10) Employees owning (or considered as owning under section 318 of the Code) the largest interest in one of the Adopting Employers, who has more than one-half of one percent (.5%) interest in such Adopting Employer, and who has annual Top-Heavy Compensation for the Plan Year at least equal to the maximum dollar limitation under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(iii) a five percent (5%) or greater shareholder in one of the Adopting Employers; or

(iv) a one percent (1%) shareholder in one of the Adopting Employers with annual Top-Heavy Compensation from the Adopting Employer of more than one hundred fifty thousand dollars ($150,000).

(B) For purposes of paragraphs (3)(A)(iii) and (3)(A)(iv), the rules of section 414(b), (c) and (m) of the Code shall not apply. Beneficiaries of an Employee shall acquire the character of such Employee and inherited benefits will retain the character of the benefits of the Employee who performed services.

(4) Non-Key Employee. Any Employee who is not a Key Employee.

(5) Super Top-Heavy Plan. A Top-Heavy Plan in which the sum of the present value of the cumulative accrued benefits and accounts for Key Employees exceeds ninety percent (90%) of the comparable sum determined for all Employees. The foregoing determination shall be made in the same manner as the determination of a Top-Heavy Plan under this section.

(6) Top-Heavy Compensation. The term Top-Heavy Compensation shall have the same meaning as the term Compensation has under section 8.5(b).

(7) Top-Heavy Plan. The Plan is a Top-Heavy Plan for a Plan Year if, as of the Determination Date for that Plan Year, the sum of (i) the present value of the cumulative accrued benefits for Key Employees under all Defined Benefit Plans that are Aggregated Plans and (ii) the aggregate of the accounts of Key Employees under all Defined Contribution Plans that are Aggregated Plans exceeds sixty percent (60%) of the comparable sum determined for all Employees.

(8) Years of Top-Heavy Service. The number of Years of Service with the Adopting Employers that might be counted under section 411(a) of the Code, disregarding all service that may be disregarded under section 411(a)(4) of the Code.

(b) The definitions in this section and the provisions of this ARTICLE shall be interpreted in a manner consistent with section 416 of the Code.

9.5 Special Rules.

(a) For purposes of determining the present value of the cumulative accrued benefit for any Participant or the amount of the Account of any Participant, such present value or amount shall be increased by the aggregate distributions made with respect to such Participant under the Plan during the Plan Year that includes the Determination Date and the four (4) preceding Plan Years (if such amounts would otherwise have been omitted).

(b) (1) In the case of unrelated rollovers and transfers, (i) the plan making the distribution or transfer is to count the distribution as a distribution under section 416(g)(3) of the Code, and (ii) the plan accepting the rollover or transfer is not to consider the rollover or transfer as part of the accrued benefit if such rollover or transfer was accepted after December 31, 1983, but is to consider it as part of the accrued benefit if such rollover or transfer was accepted before January 1, 1984. For this purpose, rollovers and transfers are to be considered unrelated if they are both initiated by the Employee and made from a plan maintained by one employer to a plan maintained by another employer.

(2) In the case of related rollovers and transfers, the plan making the distribution or transfer is not to count the distribution or transfer under section 416(g)(3) of the Code, and the plan accepting the rollover or transfer counts the rollover or transfer in the present value of the accrued benefits. For this purpose, rollovers and transfers are to be considered related if they are not unrelated under subsection (b)(1).

(c) If any individual is a Non-Key Employee with respect to any plan for any Plan Year, but such individual was a Key Employee with respect to such plan for any prior Plan Year, any accrued benefit for such Employee (and the account of such Employee) shall not be taken into account.

(d) Beneficiaries of Key Employees and former Key Employees are considered to be Key Employees and Beneficiaries of Non-Key Employees and former Non-Key Employees are considered to be Non-Key Employees.

(e) The accrued benefit of an Employee who has not performed any service for the Adopting Employer maintaining the Plan at any time during the five (5) year period ending on the Determination Date is excluded from the calculation to determine top-heaviness. However, if an Employee performs no services, such Employee's total accrued benefit is included in the calculation for top-heaviness.

9.6 Adjustment of Limitations.

(a) If this section is applicable, then the contribution and benefit limitations in section 8.5 shall be reduced. Such reduction shall be made by modifying section 8.5(a)(2)(A) of the definition of Defined Benefit Fraction to instead be "(i) the product of 1.0 multiplied by ninety thousand dollars ($90,000), or" and by modifying section 8.5(a)(4)(A) of the definition of Defined Contribution Fraction to instead be "(i) the product of 1.0 multiplied by thirty thousand dollars ($30,000), or".

(b) This section shall be applicable for any Plan Year in which either:

(1) the Plan is a Super Top-Heavy Plan, or

(2) the Plan both is a Top-Heavy Plan (but not a Super Top-Heavy Plan) and provides contributions (and forfeitures) to the Account of any Non-Key Employee in an amount less than four percent (4%) of such Participant's Top-Heavy Compensation, as determined in accordance with section 9.3(b).

ARTICLE X
The Trust Fund

10.1 Trust. During the period in which this Plan remains in existence, the Company or any successor thereto shall maintain in effect a Trust with a corporation and/or individual(s) as Trustee, to hold, invest, and distribute the Trust Fund in accordance with the terms of such Trust.

10.2 Investment of Accounts. The Trustee shall invest and reinvest the Participant's accounts in investment options as defined in section 4.1 as directed by the Administrator or its delegate. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in accordance with sections 4.2 and 4.3.

10.3 Expenses. Expenses of the Plan and Trust shall be paid from the Trust.

ARTICLE XI
Administration of The Plan

11.1 General Administration. The general administration of the Plan shall be the responsibility of the Company (or any successor thereto) which shall be the Administrator and named Fiduciary for purposes of ERISA. The Company shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in this ARTICLE. All such determinations of the Company shall be conclusive and binding on all persons.

11.2 Responsibilities of the Administrator. Except as otherwise provided in ERISA, the Administrator (and any other named Fiduciaries) may allocate any duties and responsibilities under the Plan and Trust among themselves in any mutually agreed upon manner. Such allocation shall be in a written document signed by the Administrator (and any other named Fiduciaries) and shall specifically set forth this allocation of duties and responsibilities, which may include the following:

(a) Determination of all questions which may arise under the Plan with respect to questions of fact and law and eligibility for participation and administration of Accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of Accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the Offices of the Executive Vice President - Chief Financial Officer, the Senior Vice President Treasurer, the Director of Tax Affairs, the Vice President General Counsel, and the Vice President - Human Resources, respectively, for advice and counsel.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing Account balances, designation of Beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the government as required by law.

(f) Appointment of a Trustee or Trustees, Recordkeepers, and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

11.3 Liability for Acts of Other Fiduciaries. Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his or her specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his or her assumption of Fiduciary status or after his or her termination from such status.

11.4 Employment by Fiduciaries. Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

11.5 Recordkeeping. The Administrator shall keep or cause to be kept any necessary data required for determining the Account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

11.6 Claims Review Procedure.

(a) The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

(1) Step 1. Claims with respect to an Account should be filed by a claimant as soon as practicable after the claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose Account is at issue, by mailing a copy of the claim to the Benefits and Services Department, Raytheon-Hughes, Inc., 141 Spring Street, Lexington, Massachusetts 02173.

(2) Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

(3) Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in subsection (a)(1).

(4) Step 4. Within thirty (30) days following receipt of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation of the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

(b) The Administrator is the Fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined by the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

11.7 Indemnification of Directors and Employees. The Adopting Employers shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or Employee of the Employer, his or her heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his or her capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Adopting Employers may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Adopting Employers.

11.8 Immunity from Liability. Except to the extent that section 410(a) of ERISA prohibits the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed under Title I, Subtitle B, Part 4, of said Act, an officer, Employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XII
Amendment Or Termination Of Plan

12.1 Right to Amend or Terminate Plan. Each of the Adopting Employers reserves the right at any time or times, by action of its board of directors to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a certified copy of the resolution of the board of directors, authorizing such modification, amendment or termination shall be delivered to the Trustee and to the other Adopting Employers whose Employees are covered by this Plan, provided, however, that no amendment to the Plan shall be made which shall:

(a) reduce any vested right or interest to which any Participant or Beneficiary is then entitled under this Plan or otherwise reduce the vested rights of a Participant in violation of section 411(d)(6) of the Code;

(b) vest in the Adopting Employers any interest or control over any assets of the Trust;

(c) cause any assets of the Trust to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries; or

(d) change any of the rights, duties or powers of the Trustee without its written consent.

(e) Notwithstanding the foregoing provisions of this section or any other provisions of this Plan, any modification or amendment of the Plan may be made retroactively if necessary or appropriate to conform the Plan with, or to satisfy the conditions of, ERISA, the Code, or any other law, governmental regulation or ruling. Any termination, modification or amendment of the Plan shall be subject to approval by the Board of Directors. In the alternative, subject to the conditions prescribed in subsections 12.1(a) through (e), the Plan may be amended by an officer of the Company authorized by the Board of Directors to amend the Plan, provided, however, that any such amendment does not, in the view of such officer, materially increase costs of the Plan to the Company or any Adopting Employer.

12.2 Amendment to Vesting Schedule. Any amendment that modifies the vesting provisions of ARTICLE IV shall either:

(a) provide for a rate of vesting that is at least as rapid for any Participant as the vesting schedule previously in effect; or

(b) provide that any adversely affected Participant with a Period of Service of at least three (3) years may elect, in writing, to remain under the vesting schedule in effect prior to the amendment. Such election must be made within sixty (60) days after the later of the:

(1) adoption of the amendment;

(2) effective date of the amendment; or

(3) issuance by the Company of written notice of the amendment.

12.3 Maintenance of Plan. The Company has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the Company is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time.

12.4 Termination of Plan and Trust. The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Company specifying the date as of which the Plan and Trust shall terminate; or

(b) Adjudication of the Company as bankrupt or general assignment by the Company to or for the benefit of creditors or dissolution of the Company.

12.5 Distribution on Termination.

(a) (1) If the Plan is terminated, or contributions permanently discontinued, an Adopting Employer, at its discretion, may (at that time or at any later time) direct the Trustee to distribute the amounts in a Participant's Account in accordance with the distribution provisions of the Plan. Such distribution shall, notwithstanding any prior provisions of the Plan, be made in a single lump-sum without the Participant's consent as to the timing of such distribution. If, however, an Adopting Employer (or an Affiliate) maintains another defined contribution plan (other than an employee stock ownership plan), then the preceding sentence shall not apply and the Adopting Employer, at its discretion, may direct such distributions to be made as a direct transfer to such other plan without the Participant's consent, if the Participant does not consent to an immediate distribution.

(2) If an Adopting Employer does not direct distribution under paragraph (1), each Participant's Account shall be maintained until distributed in accordance with the provisions of the Plan (determined without regard to this section) as though the Plan had not been terminated or contributions discontinued.

(b) If the Administrator determines that it is administratively impracticable to make distributions under this section in cash or that it would be in the Participant's best interest to make some or all of the distributions with in-kind property, it shall offer all Participants and Beneficiaries entitled to a distribution under this section a reasonable opportunity to elect to receive a distribution of the in-kind property being distributed by the Trust. Those Participants and Beneficiaries so electing shall receive a proportionate share of such in-kind property in the form (outright, in trust or in partnership) that the Administrator determines will provide the most feasible method of distribution.

(c) (1) Amounts attributable to elective contributions shall only be distributable by reason of this section if one of the following is applicable:

(A) the Plan is terminated without the establishment of a successor plan;

(B) an Adopting Employer has a sale or other disposition to an unrelated corporation of substantially all of the assets used by the Adopting Employer in a trade or business of the Adopting Employer with respect to an Employee who continues employment with the corporation acquiring such assets; or

(C) an Adopting Employer has a sale or other disposition to an unrelated entity of the Adopting Employer's interest in a subsidiary with respect to an Employee who continues employment with such subsidiary.

(2) For purposes of this section, the term "elective contributions" means employer contributions made to the Plan that were subject to a cash or deferred election under a cash or deferred arrangement.

(3) Elective contributions are distributable under subsections (c)(1)(B) and (C) above only if the Adopting Employers continue to maintain the Plan after the disposition.

ARTICLE XIII
Additional Provisions

13.1 Effect of Merger, Consolidation or Transfer. In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

13.2 Necessity of Initial Qualification. This Plan is established with the intent that it shall qualify under sections 401(a) and 401(k) of the Code as those sections exist at the time the Plan is established. If the Internal Revenue Service determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination, all of the assets of the Trust Fund held for the benefit of Participants and their Beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code. Any nonvested Matching Contributions and earnings attributable thereto shall be returned to the Adopting Employers.

13.3 No Assignment.

(a) Except as provided herein, the right of any Participant or Beneficiary to any benefit or to any payment hereunder shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind.

(b) Subsection (a) shall not apply to any payment or transfer permitted by the Internal Revenue Service pursuant to regulations issued under section 401(a)(13) of the Code.

(c) Subsection (a) shall not apply to any payment or transfer pursuant to a Qualified Domestic Relations Order.

(d) Subsection (a) shall not apply to any payment or transfer to the Trust in accordance with section 401(a)(13)(C) of the Code to satisfy the Participant's liabilities to the Plan or Trust in any one or more of the following circumstances:

(1) the Participant is convicted of a crime involving the Plan;

(2) a civil judgment (or consent order or decree) in an action is brought against the Participant in connection with an ERISA fiduciary violation; or

(3) the Participant enters into a settlement agreement with the Department of Labor or the Pension Benefit Guaranty Corporation over an ERISA fiduciary violation.

13.4 Limitation of Rights of Employees. This Plan is strictly a voluntary undertaking on the part of the Adopting Employers and shall not be deemed to constitute a contract between any of the Adopting Employers and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Adopting Employers or shall interfere with the right of any of the Adopting Employers to discharge or otherwise terminate the employment of any Employee of an Adopting Employer at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

13.5 Construction. The provisions of this Plan shall be interpreted and construed in accordance with the requirements of the Code and ERISA. Any amendment or restatement of the Plan or Trust that would otherwise violate the requirements of section 411(d)(6) of the Code or otherwise cause the Plan or Trust to cease to be qualified under section 401(a) of the Code shall be deemed to be invalid. Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine and vice versa, as appropriate. References to "section" or "ARTICLE" shall be read as references to appropriate provisions of this Plan, unless otherwise indicated.

13.6 Company Determinations. Any determinations, actions or decisions of the Company (including but not limited to, Plan amendments and Plan termination) shall be made by its Board of Directors in accordance with its established procedures or by such other individuals, groups or organizations that have been properly delegated by the Board of Directors to make such determination or decision.

13.7 Governing Law. This Plan shall be governed by, construed and administered in accordance with ERISA and any other applicable federal law; provided, however, that to the extent not preempted by federal law, this Plan shall be governed by, construed and administered under the laws of the Commonwealth of Massachusetts, other than its laws respecting choice of law.

ARTICLE XIV
Definitions

The following terms have the meaning specified below unless the context indicates otherwise:

14.1 Account. The entire interest of a Participant in the Trust Fund. A Participant's Account shall consist of an Elective Deferral Account, an Employee After-Tax Contribution Account, a Matching Contribution Account and, where applicable, a Rollover Contribution Account and a Qualified Nonelective Contribution Account.

14.2 Administrator. The person, persons, corporation, committee, group or organization designated to be the Administrator of the Plan and to perform the duties of the Administrator. Until and unless otherwise designated, the Administrator shall be the Company.

14.3 Adopting Employers. Any corporation that elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such corporation is approved by the Board of Directors, or an officer to whom authority to approve participation by a corporation is delegated by the Board of Directors, but shall not include any division, operation or similar cohesive group of the adopting corporation excluded by the Board of Directors. The Adopting Employers shall be listed on Exhibit A attached to this Plan.

14.4 Affiliate. A trade or business that, together with and Adopting Employer, is a member of (i) a controlled group of corporations within the meaning of section 414(b) of the Code; (ii) a group of trades or businesses (whether or not incorporated) under common control as defined in section 414(c) of the Code, or (iii) an affiliated service group as defined in section 414(m) of the Code, or which is an entity otherwise required to be aggregated with the Adopting Employer pursuant to section 414(o) of the Code. For purposes of ARTICLE VIII, the determination of controlled groups of corporations and trades or businesses under common control shall be made after taking into account the modification required under section 415(h) of the Code. All such entities, whether or not incorporated, shall be treated as a single employer to the extent required by the Code.

14.5 Authorized Leave of Absence. An absence approved by the Adopting Employers on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of an Employee or a relative, the death of a relative, education of the Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Adopting Employers within the time period specified by the Adopting Employers.

14.6 Beneficiary. The person or persons (including a trust or trusts) who are entitled to receive benefits from a deceased Participant's Account after such Participant's death (whether or not such person or persons are expressly so designated by the Participant). If a married Participant designates a Beneficiary other than his or her spouse, said designation shall not take effect unless the spouse consents in writing to such designation and said spousal consent acknowledges the effect of said designation and is witnessed by a representative of the Plan or a notary public. Said spousal consent shall be effective only with respect to the spouse granting such consent, and shall not be required if the Participant can establish that there is no spouse, that the spouse cannot be located, or that other conditions exist as may be prescribed by regulations issued by the Secretary of the Treasury. If there is no Beneficiary designated by the Participant or surviving at the death of the Participant, payment of his or her Account shall be made in accordance with section 6.7. Subject to the foregoing, a Participant may designate a new Beneficiary at any time by filing with the Administrator a written request for such change on a form prescribed by the Administrator. Such change shall become effective only upon receipt of the

form by the Administrator, but upon such receipt of the change shall relate back to and take effect as of the date the Participant signed such request, whether or not the Participant is living at the time of such receipt, provided, however, that neither the Trustee nor the Administrator shall be liable by reason of any payment of the Participant's Account made before receipt of such form. If a Beneficiary entitled to payment was the spouse or former spouse of the deceased Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion of, such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.12.

14.7 Board of Directors. The Board of Directors of Raytheon Company.

14.8 Business Day. Days on which the Recordkeeper is able to make transfers.

14.9 Code. The Internal Revenue Code of 1986, as amended.

14.10 Common Stock. Raytheon Company Class B common stock.

14.11 Company. Raytheon Company.

14.12 Compensation.

(a) The aggregate amount paid by the Employer to a Participant as regular base salary, including amounts authorized by the Participant to be deferred from his Compensation and contributed by the Employer under section 3.3, as well as amounts paid as commissions, military pay differential, and under the Hughes Annual Incentive Plan, the Hughes Salary Adjustment Plan, the Hughes Supplemental Compensation Plan, awards under the Hughes Subsidiary Incentive Plan not in excess of the target award (or any successor plans of the foregoing), but without inclusion of any overtime compensation, shift differentials, foreign service premiums (including mobility allowances), per diem, royalties, payments in lieu of vacation, benefits from the Hughes Transition Pay Plan, the Hughes Supplemental Employee Retirement Plan, the Hughes Long-Term Performance Plan, and amounts deferred by a Participant to the flexible spending account in an Employer cafeteria plan under section 125 of the Code, or other payments of like nature, subject to the following:

(b) The Compensation of each Employee for any year shall be deemed to not exceed one hundred fifty thousand dollars ($150,000); provided, however, that this limit shall be adjusted in the same manner and at the same time as under section 415(d) of the Code, in accordance with regulations under section 401(a)(17) of the Code. Compensation for Highly-Compensated Employees shall be determined in accordance with the provisions of section 14.28.

(c) Unless otherwise indicated herein, Compensation shall be determined only on the basis of amounts paid during the Plan Year, including any Plan Year with a duration of fewer than twelve (12) months.

(d) The Compensation of a person who becomes a Participant during the Plan Year shall only include amounts paid after the date on which such person was admitted as a Participant.

14.13 Current Market Value. The closing price of the Common Stock on the New York Stock Exchange on the Business Day immediately preceding the Business Day on which the Common Stock is allocated to the Participants' Accounts in accordance with the terms of the Plan.

14.14 Disability. Any medically determinable physical disorder that renders a Participant incapable of engaging in any occupation for compensation or profit. The determination of Disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish Disability or the continuation thereof.

14.15 Effective Date. December 18, 1997.

14.16 Elective Deferral. A voluntary reduction of a Participant's Compensation in accordance with section 3.3 hereof that qualifies for treatment under section 402(e)(3) of the Code. A Participant's election to make Elective Deferrals may be made only with respect to an amount that the Participant could otherwise elect to receive in cash and that is not currently available to the Participant.

14.17 Elective Deferral Account. That portion of a Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.18 Eligible Employee. A person who is an hourly Employee of an Adopting Employer who:

(a) is a United States citizen or resident;

(b) is not employed in a position or classification within a bargaining unit which is covered by a collective bargaining agreement with respect to which retirement benefits were the subject of good faith bargaining (unless such agreement provides for coverage hereunder of employees of such units);

(c) is not assigned on the books and records of the Employer to any division, operation or similar cohesive group of an Adopting Employer that is excluded from participation in the Plan by the Board of Directors; and

(d) is not a Leased Employee or any other person who performs services for an Adopting Employer other than as an Employee.

14.19 Employee. Except to the extent otherwise provided herein, any person employed by the Employer who is expressly so designated as an Employee on the books and records of the Employer and who is treated as such by the Employer for federal employment tax purposes. Any person who, after the close of a Plan Year, is retroactively treated by the Employer or any other party as an Employee for such prior Plan Year shall not, for purposes of the Plan, be considered an Employee for such prior Plan Year unless expressly so treated as such by the Employer.

14.20 Employee After-Tax Contributions. Voluntary contributions made by Participants on an after-tax basis in accordance with section 3.4 of the Plan.

14.21 Employee After-Tax Contribution Account. That portion of a Participant's Account which is attributable to Employee After-Tax Contributions, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.22 Employer. An Adopting Employer and any Affiliate thereof (whether or not such Affiliate has elected to participate in the Plan).

14.23 Employment Commencement Date. The date on which an individual first performs an Hour of Service with the Employer.

14.24 ERISA. The Employee Retirement Income Security Act of 1974, as amended.

14.25 Fiduciary. Any person who exercises any discretionary authority or discretionary control over the management of the Plan, or exercises any authority or control respecting management or disposition of Plan assets; who renders investment advice for a fee or other compensation, direct or indirect, as to assets held under the Plan, or has any authority or discretionary responsibility in the administration of the Plan. This definition shall be interpreted in accordance with section 3(21) of ERISA.

14.26 Highly Compensated Employee

(a) Any Employee who:

(1) is a five percent (5%) owner at any time during the Plan Year or the preceding Plan Year; or

(2) for the preceding Plan Year:

(A) received Compensation in excess of the amount specified in section 414(q)(1)(B)(i) of the Code; and

(B) if the Adopting Employers so elect, in accordance with section 414(q)(1)(B)(ii) of the Code, was a member of the Top-Paid Group for such preceding Plan Year.

(b) A former Employee will be treated as a Highly Compensated Employee if the former Employee was a Highly Compensated Employee at the time of his or her separation from service or the former Employee was a Highly Compensated Employee at any time after attaining age fifty-five (55).

(c) The term "Top-Paid Group" for any year includes Employees in the group of Employees specified in section 414(q)(5) of the Code, which consists of the top twenty percent (20%) of Employees when ranked on the basis of Compensation paid during such year.

(d) In determining the number of Employees in the Top-Paid Group taken into account under subsection (c) of this section, nonresident aliens with no earned income from the Adopting Employers that constitutes income from sources within the United States shall not be treated as Employees and (unless the Adopting Employers elect otherwise) the following Employees shall be excluded:

(1) Employees with fewer than six (6) months of service;

(2) Employees who normally work fewer than seventeen and one-half (171/2) hours per week;

(3) Employees who normally work during not more than six (6) months during the year;

(4) Employees who have not attained age twenty-one (21); and

(5) (except to the extent permitted by regulation) Employees who are included in a unit of Employees covered by a collective bargaining agreement with one of the Adopting Employers.

(e) The dollar amounts incorporated under subsection (a)(2)(A) shall be adjusted as provided in section 414(q)(1) of the Code.

(f) For purposes of this section, the term "Compensation" means compensation as defined under section 414(q)(4) of the Code.

(g) This section shall be interpreted in a manner consistent with section 414(q) of the Code and the regulations thereunder and shall be interpreted to permit any elections permitted by such regulations to be made.

14.27 Hour of Service.

(a) Any hour for which any person is directly or indirectly paid (or entitled to payment) by the Employer for the performance of duties as an Employee, as determined from the appropriate records of the Employer.

(b) In computing Hours of Service, a person shall also be credited with Hours of Service based on the person's previous customary service with the Employer (not exceeding either eight (8) hours per day or forty (40) hours per week), for the following periods:

(1) periods (limited to a maximum of five hundred one (501) hours for any single, continuous period) for which the person is directly or indirectly paid for reasons other than the performance of duties, such as vacation, holiday, sickness, disability, layoff, jury duty or military duty;

(2) periods for which any federal law requires that credit for service be given; and

(3) periods for which back pay (irrespective of mitigation of damages) is either awarded or agreed to by the Employer.

(c) Hours of Service shall also include each hour for which an Employee is entitled to credit under subsection (a) as a result of employment with:

(1) a predecessor company substantially all the assets of which have been acquired by the Company, provided that where only a portion of the operations of a company has been acquired, only service with said acquired portion prior to the acquisition will be included and that the Employee was employed by said predecessor company at the time of acquisition; or

(2) a division, operation or similar cohesive group of the Employer excluded from participation in the Plan.

(d) The provisions of subsection (b) shall be further limited to prevent duplication by only permitting a person to receive credit for one (1) Hour of Service for any given hour.

(e) Hours of Service shall be computed and credited in accordance with the Department of Labor regulations under section 2530.200b.

14.28 Layoff. An involuntary interruption of service due to reduction of work force with or without the possibility of recall to employment when conditions warrant.

14.29 Leased Employee. Any person (other than an Employee) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or any related person as provided in section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one (1) year and such services are performed under primary direction or control of the Employer. Leased Employees are not eligible to participate in the Plan.

14.30 Matching Contribution. Contribution made to the Trust in accordance with section 3.1 hereof.

14.31 Matching Contribution Account. That portion of Participant's Account which is attributable to Matching Contributions by the Adopting Employers, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.32 Net Annual Profits. The current earnings of the Adopting Employers for the Plan Year determined in accordance with generally accepted accounting principles before federal and local income taxes and before contributions to this Plan or any other qualified plan.

14.33 Net Profits. The accumulated earnings of the Adopting Employers at the end of the Plan Year determined in accordance with generally accepted accounting principles. For the purposes hereof "accumulated earnings at the end of the Plan Year" shall include Net Annual Profits for such Plan Year calculated before any deduction is taken for depreciation, if any.

14.34 Nonforfeitable. An unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

14.35 Non-Highly Compensated Work Force. The aggregate number of individuals (other than Highly Compensated Employees) who are:

(a) Employees of the Employer (other than Leased Employees) who have performed services for the Employer on a substantially full-time basis for a period of at least one (1) year; and

(b) Leased Employees.

14.36 Normal Retirement Age. The Participant's sixty-fifth (65th) birthday.

14.37 Participant. An individual who is enrolled in the Plan pursuant to ARTICLE II and has not received a distribution of all of the funds credited to his or her Account (or had such funds fully forfeited). In the case of an Eligible Employee who makes a Rollover Contribution to the Plan under section 3.7(a)(6) prior to enrollment under ARTICLE II, such Eligible Employee shall, until he or she enrolls under ARTICLE II, be considered a Participant for the limited purposes of maintaining and receiving his or her Rollover Contribution Account under the terms of the Plan.

14.38 Pay Period. A scheduled period for payment of wages or salaries.

14.39 Period of Participation. That portion of a Period of Service during which the Eligible Employee was a Participant, and had an Elective Deferral Account in the Plan. For the purpose of determining a Period of Participation, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes California Hourly Employees' Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one of its affiliates (other than a joint venture that has adopted this Plan) after the Effective Date and before December 1, 1998, and who become Participants as of the Effective Date or date of transfer, as applicable, shall be credited with their participation in such plan.

14.40 Period of Service. The period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date. For the purpose of determining a Period of Service, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes California Hourly Employees' Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one o its affiliates (other than a joint venture that has adopted this Plan) after the Effective Date and before December 1, 1998, and who become Participants as of the Effective Date or date of transfer, as applicable, shall be credited with their years of service credited under such plan.

14.41 Period of Severance. The period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

14.42 Plan. The Raytheon California Hourly Savings and Investment Plan (10012) as amended from time to time.

14.43 Plan Year. The first Plan Year shall begin on the Effective Date and end December 31, 1997. Thereafter, the Plan Year shall be the annual twelve- (12) month period beginning on January 1 of each year and ending on December 31 of each year.

14.44 Qualified Military Service. Any period of duty on a voluntary or involuntary basis in the United States Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty for training or full-time National Guard duty, the commissioned corps of the Public Health Service and any other category of persons designated by the President of the United States in time of war or emergency. Such periods of duty shall include active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty and absence from employment for an examination to determine fitness for such duty.

14.45 Qualified Nonelective Contributions. Any contribution by the Adopting Employers to the Trust pursuant to section 3.2. Qualified Nonelective Contributions are one hundred percent (100%) vested when made and are distributable as provided herein, but in no event before the earlier of:

(a) the Participant's Severance from Service, death or Disability;

(b) the Participant's attainment of age fifty-nine and one-half (59-1/2);

(c) the termination of the Plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan);

(d) the disposition of substantially all of the assets used by the Adopting Employers in a trade or business of the Adopting Employers but only with respect to an Employee who continues employment with the entity acquiring such assets; or

(e) the disposition of the Adopting Employers' interest in a subsidiary, but only with respect to an Employee who continues employment with such subsidiary.

14.46 Qualified Nonelective Contribution Account. That portion of a Participant's Account which is attributable to Qualified Nonelective Contributions received pursuant to section 3.2, adjusted for withdrawals and distributions, and the earnings and losses attributable thereto.

14.47 Recordkeeper. The organization designated by the Administrator to be the recordkeeper for the Plan. Until and unless otherwise designated, the Recordkeeper shall be Fidelity Investments.

14.48 Reemployment Commencement Date. The first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under section 5.3 in determining whether a Participant has a Nonforfeitable right to his or her Matching Contribution Account.

14.49 Retirement. A Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

14.50 Rollover Contributions. A transfer that qualifies under either section 402(c) or 403(a)(4) of the Code.

14.51 Rollover Contribution Account. That portion of a Participant's Account which is attributable to Rollover Contributions received pursuant to section 3.7, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.52 Severance from Service. The termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Qualified Military Service or Disability.

14.53 Severance from Service Date. The earliest of:

(a) the date on which an Employee resigns, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c), (d), (e) and (f) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than resignation, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a Layoff as the result of a permanent plant closing, the Administrator may designate the date of Layoff or other appropriate date prior to the first anniversary of the first date of absence as the Severance from Service Date; or

(c) in the case of a Qualified Military Service leave of absence from which the Employee does not return prior to expiration of recall rights, Severance from Service Date means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, Severance from Service Date means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or resigns (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date, for the sole purpose of determining the length of a Period of Service, shall mean the first anniversary of the resignation or discharge; or

(f) in the case of an Employee who is absent from service beyond the first anniversary of the first day of absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Severance from Service Date shall be the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence is neither a Period of Service nor a Period of Severance.

14.54 Surviving Spouse. A lawful spouse surviving the Participant as of the date of the Participant's death.

14.55 Trust. The Raytheon Company Master Trust for Defined Contribution Plans and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

14.56 Trustee. The Trustee and any successor trustees under the Trust.

14.57 Trust Fund. The cash, securities, and other property held by the Trustee for the purposes of the Plan.

14.58 Valuation Date. The last day of each Plan Year. The Administrator may, in is sole discretion, establish additional Valuation Dates, up to and including daily valuations.

EXHIBIT A

ADOPTING EMPLOYERS PARTICIPATING IN RAYTHEON CALIFORNIA HOURLY SAVINGS AND INVESTMENT PLAN (10012)
As of December 18, 1997

(Unless Indicated Otherwise)

HE Holdings, Inc.
HE Microwave LLC
Hughes Defense Communications (formerly Magnavox Company)
Raytheon Company d/b/a Raytheon Systems Company **
Raytheon Data Systems
Raytheon Information Technology Corporation
Raytheon Missile Systems Company
Raytheon Technical Services Company

** But only with respect to Employees who either (1) were covered as of December 17, 1997, by one or more defined contribution plans sponsored by Hughes Aircraft Company or an affiliate and have been Employees since December 18, 1997; or (2) have been hired by Raytheon Company on or after December 18, 1997, into a position in a business operated by Hughes Aircraft Company or an affiliate prior to that date.

EXHIBIT B

RAYTHEON CALIFORNIA HOURLY SAVINGS AND INVESTMENT PLAN (10012)

As the Plan applies to the Employees of the Raytheon Missile Systems Company who transferred from General Dynamic Corporation ("GD") on August 22, 1992, ("GD Participants"), the Plan shall be modified as follows:

1. As the Plan applies to GD Participants who are non-represented hourly Employees, the Plan shall be modified as follows:

a. Elective Deferrals on a pre-tax basis under section 3.3 are not available, but Employee After-Tax Contributions under section 3.4 may be authorized as a deduction from Compensation paid each week in an amount equal to 1% to 10% (in whole percentages) of his or her Compensation up to $12.01 per hour.

b. If the Employee authorizes his or her Employee After-Tax Contribution under section 3.4 to be invested in Common Stock:

(i) in an amount equal to 100%, then the Adopting Employer shall, in lieu of the provisions contained in section 3.1(a), contribute in its discretion such amounts that they deem necessary to permit an allocation of Common Stock to a Participant's Account in accordance with section 3.1(b) equal in value to 100% of the total Employee After-Tax Contributions made by Participants under section 3.4; and

(ii)in an amount less than 100%, then the Adopting Employer shall, in lieu of the provisions contained in section 3.1(a), contribute in its discretion such amounts that they deem necessary to permit an allocation of cash to a Participant's Account equal to 50% of the total Employee After-Tax Contributions made by Participants under section 3.4.

c. The last sentence of section 3.1(b) shall be deleted in its entirety and the following substituted in its place:

"Such Matching Contributions shall remain invested in Common Stock until the end of five (5) full Plan Years following the Plan Year of contribution."

The vesting provisions under section 5.2 are not applicable.

EXHIBIT 4.11

RAYTHEON TUCSON BARGAINING SAVINGS AND INVESTMENT PLAN (10013)

ARTICLE I
Establishment of the Plan

1.1 Establishment of the Plan. The Raytheon Tucson Bargaining Savings and Investment Plan (10013) (the "Plan"), which is effective December 18, 1997, provides Participants with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Plan and set aside for the short-term and long-term needs of the Participants. The Plan also provides retirement benefits for Participants or their Beneficiaries in the event a Participant becomes disabled or dies before retirement. It is intended that the Plan will comply with all of the requirements for a qualified profit sharing plan under sections 401(a) and 401(k) of the Code and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in ARTICLE XIV unless the context indicates otherwise. The Plan is intended to constitute a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations, Section 2550.404(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan and the Plan Fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a Participant or Beneficiary.

1.2 Trust. The Trust shall be the sole source of benefits under the Plan and the Adopting Employers or any Affiliate shall not have any liability for the adequacy of the benefits provided under the Plan.

1.3 Effective Date. The Plan shall be effective as of December 18, 1997, or such other dates as may be specifically provided herein or as otherwise required by law for the Plan to satisfy the requirements of section 401(a) of the Code.

1.4 Adoption of Plan. With the prior approval of the Board of Directors or an officer of the Company authorized by the Board of Directors to give such approval, the Plan and Trust may be adopted by any Corporation (hereinafter referred to as an Adopting Employer). Such adoption shall be made by the Adopting Employer filing with the Administrator and Trustee a certified copy of a board of directors (or equivalent) resolution adopting the Plan and Trust without modification. The Administrator may require the Adopting Employer to take such further actions as it deems appropriate to the proper adoption and operation of the Plan and Trust. In the event of the adoption of the Plan and Trust by an Adopting Employer, the Plan and Trust shall be interpreted in a manner consistent with such adoption.

1.5 Withdrawal of Adopting Employer.

(a) An Adopting Employer's adoption of this Plan may be terminated, voluntarily or involuntarily, at any time, as provided in this section.

(b) An Adopting Employer shall withdraw from the Plan and Trust if the Plan and Trust, with respect to that Adopting Employer, fail to qualify under sections 401(a) and 501(a) of the Code (or, in the opinion of the Administrator, they may fail to so qualify) and the continued sponsorship of that Adopting Employer may jeopardize the status with respect to the Company or the remaining Adopting Employers, of the Plan and Trust under sections 401(a) and 501(a) of the Code. The Adopting Employer shall receive at least thirty (30) days prior written notice of a withdrawal under this subsection, unless a shorter period is agreed to.

(c) An Adopting Employer may voluntarily withdraw from the Plan and Trust for any reason. Such withdrawal requires at least thirty (30) days written notice to the Administrator and the Trustee, unless a shorter period is agreed to.

(d) Upon withdrawal, the Trustee shall segregate the assets attributable to Employees of the withdrawn Adopting Employer, the amount thereof to be determined by the Administrator and the Trustee. The segregated assets shall be held, paid to another trust, distributed or otherwise disposed of as is appropriate under the circumstances; provided, however, that any transfer shall be for the exclusive benefit of Participants and their Beneficiaries. A withdrawal of an Adopting Employer from the Plan is not necessarily a termination under ARTICLE XII. If the withdrawal is a termination, then the provisions of ARTICLE XII shall also be applicable.

ARTICLE II
Eligibility

2.1 Eligibility Requirements. Each Employee who is an Eligible Employee on the Effective Date shall begin participation in this Plan on the Effective Date. Each Eligible Employee who transfers to an Adopting Employer from General Motors Corporation or one of its affiliates after the Effective Date and before December 1, 1998, and who immediately prior to such transfer was a participant in the Hughes Tucson Bargaining Employees Thrift and Savings Plan, shall begin participation in this Plan on the date of such transfer. Each other Eligible Employee and any person who subsequently becomes an Eligible Employee may join the Plan as of the first Pay Period coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on his or her Employment Commencement Date.

2.2 Procedure for Joining the Plan. Each Eligible Employee who meets the requirements of section 2.1 may join the Plan by communicating with the Recordkeeper in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Eligible Employee has designated: a percentage by which his or her Compensation shall be reduced as an Elective Deferral in accordance with the requirements of section 3.3, subject to the nondiscrimination test described in section 3.10; election of investment funds as described in ARTICLE IV; one or more Beneficiaries; and such other information as specified by the Recordkeeper. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator, in its discretion, may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.3 Transfer Between Adopting Employers to Position Covered by Plan. A Participant who is transferred to a position with another Adopting Employer in which the Participant remains an Eligible Employee will continue as an active Participant of the Plan.

2.4 Transfer to Position Not Covered by Plan. If a Participant is transferred to a position with an Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan with respect to Elective Deferrals previously made but shall no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with the Recordkeeper and providing all of the information requested by the Recordkeeper. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by the Recordkeeper of the requested information.

2.5 Transfer to Position Covered by Plan. If an Employee who is not eligible to participate in the Plan by reason of his or her position with an Employer is transferred to a position that is eligible to participate in the Plan, all service performed as an Employee in such noneligible position shall be treated as a Period of Service for purposes of this ARTICLE.

2.6 Treatment of Qualified Military Service. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with section 414(u) of the Code.

ARTICLE III
Contributions

3.1 Matching Contributions. (a) (1) Each Adopting Employer shall, in its discretion, make Matching Contributions with regard to Elective Deferrals and Employee After-Tax Contributions made by its Employees during a Plan Year. Each Adopting Employer shall, in its discretion, determine both the percentage rate of the Elective Deferrals and Employee After-Tax Contributions that will be matched and any limits on the maximum Matching Contributions that will be made for any Participant. Matching Contributions will be made in such form as is specified in subsection (b).

(2) Unless otherwise specified by an Adopting Employer, each Adopting Employer shall make Matching Contributions equal in value to one hundred percent (100%) of the total Elective Deferrals and Employee After-Tax Contributions made during that Plan Year by each Participant who is an Employee of that Adopting Employer, but the total of such Matching Contributions for any Participant shall not exceed four percent (4%) of a Participant's Compensation from that Adopting Employer for that Plan Year.

(b) The Matching Contribution under subsection (a) shall be made in either Common Stock or cash that is invested in Common Stock. The number of shares of Common Stock contributed by the Adopting Employer or acquired with Matching Contributions under subsection (a) shall be allocated to the Participant's Account by the Trustee and such allocation shall equal the number of shares of Common Stock which the Trustee could have purchased for the Participant at the Current Market Value. Such Matching Contribution shall remain invested in Common Stock until the end of two (2) full Plan Years following the Plan Year for which such contributions or deferrals are made.

3.2 Qualified Nonelective Contributions. Each Plan Year the Adopting Employers may contribute to the Trust such amounts as determined by the Board of Directors in its sole discretion. Any amounts contributed under this subsection are to be designated by the Adopting Employers as Qualified Nonelective Contributions.

3.3 Elective Deferrals. (a) A Participant may authorize the Adopting Employer to reduce his or her Compensation on a pre-tax basis and to correspondingly contribute to the Plan an amount equal to any whole percentage of Compensation that does not exceed twelve percent (12%) of his or her Compensation for that Plan Year.

(b) A Participant shall not be permitted to defer his or her Compensation under subsection (a) during any calendar year in excess of nine thousand five hundred dollars ($9,500) (or such amount as may be permitted in accordance with regulations issued under section 415(d)(1) of the Code).

3.4 Employee After-Tax Contributions. (a) A Participant may authorize the Adopting Employer to reduce his or her Compensation on an after-tax basis and to correspondingly contribute to the Plan an amount equal to any whole percentage of Compensation that does not exceed twelve percent (12%) of his or her Compensation for that Plan Year.

3.5 Change in Elective Deferrals. Except as provided in section 3.10, any Participant may change his or her Elective Deferral or Employee After-Tax Contribution percentage to increase or decrease said percentage by notifying the Recordkeeper, such change to take effect as of the next administratively feasible Pay Period.

3.6 Forfeitures.

(a) In the event that a Participant incurs a Severance from Service before attaining a Nonforfeitable right to his or her Matching Contributions, the Matching Contribution Account will be forfeited as of the first day of the month immediately following the earliest of: (i) the date on which the Participant incurs a Period of Severance of five (5) consecutive years; (ii) death; or (iii) the date on which the Participant's Elective Deferral Account is distributed in accordance with ARTICLE VI. Forfeitures of Matching Contributions will be used to reduce future contributions of the Adopting Employers to the Plan.

(b) If, in connection with his or her Severance from Service, a Participant received a distribution of his or her Elective Deferral Account when he or she did not have a Nonforfeitable right to his or her Matching Contribution Account, the Matching Contributions that were forfeited, unadjusted by any subsequent gains or losses, shall be restored if he or she again becomes an Employee before incurring a Period of Severance of five (5) consecutive years, performs an Hour of Service, and repays the full value of his or her prior distributions, unadjusted for subsequent gains and losses, before the first to occur of (i) the end of the five- (5) year period beginning with the date he or she again becomes an Employee or (ii) the date on which he or she incurs a Period of Severance of five (5) consecutive years.

3.7 Rollover Contributions and Transfers.

(a) Participants may transfer into the Plan qualifying rollover amounts (as defined in section 402 of the Code) received from other qualified plans (provided that no federal income tax has been required to have been paid previously on such amounts); or rollover contributions from an individual retirement account described in section 408(d)(3)(A)(ii) of the Code (referred to herein as a "conduit IRA"), subject to the following conditions:

(1) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from another qualified plan or, in the event that the funds are transferred from a conduit IRA, no later than sixty (60) days from the date that the Participant receives such funds from the individual retirement account;

(2) the amount of such Rollover Contributions shall not exceed the limitations set forth in section 402 of the Code;

(3) the Rollover Contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to ARTICLE VII;

(4) the Rollover Contributions may be distributed at the request of the Participant, subject to the same administrative procedures as apply to other distributions;

(5) the Rollover Contributions transferred pursuant to this section 3.7(a) shall be credited to the Participant's Rollover Contribution Account and invested upon receipt by the Trustee;

(6) a Rollover Contribution will not be accepted unless (A) the Employee on whose behalf the Rollover Contribution will be made is either a Participant or an Eligible Employee who has notified the Administrator that he or she intends to become a Participant on the first date on which he or she is eligible therefor, and (B) all required information, including selection of specific investment accounts, is provided to the Recordkeeper - when the Rollover Contribution has been deposited, any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in sections 4.2 and 4.3; and

(7) under no circumstances shall the Administrator accept as a Rollover Contribution amounts which have previously been subject to federal income tax.

(b)(1) The Plan shall accept a transfer of assets, including elective transfers in accordance with Treas. Regs. section 1.411(d)-4 Q&A-3(b), directly from another plan qualified under section 401(a) of the Code only if the Administrator, in its sole discretion, agrees to accept such a transfer. In determining whether to accept such a transfer, the Administrator shall consider the administrative inconvenience engendered by such a transfer and any risks to the continued qualification of the Plan under section 401(a) of the Code. Acceptance of any such transfer shall not preclude the Administrator from refusing any such subsequent transfers.

(2) Any transfer of assets accepted under this subsection shall be separately accounted for at all times and shall remain subject to the provisions of the transferor plan (as it existed at the time of such transfer) to the extent required by section 411(d)(6) of the Code (including, but not limited to, any rights to qualified joint and survivor annuities and qualified preretirement survivor annuities) as if such provisions were part of the Plan. In all other respects, however, such transferred assets will be subject to the provisions of the Plan. The Administrator may, but is not required to, describe in an Exhibit to this Plan the special provisions that must be preserved under section 411(d)(6) of the Code, if any, following the transfer of assets from another plan in accordance with this subsection.

(3) Assets accepted under this section shall be fully vested and nonforfeitable.

(4) Eligible Employees who were active participants in the Hughes Tucson Bargaining Employees Thrift and Savings Plan immediately prior to the Effective Date may elect to transfer their entire vested account balances in such plan, including after-tax contributions, to the Plan in accordance with this section 3.7(b).

3.8 Refund of Contributions to the Adopting Employers.

Notwithstanding the provisions of ARTICLE XII, if, or to the extent that, any Adopting Employers' deductions for contributions made to the Plan are disallowed, such Adopting Employer will have the right to obtain the return of any such contributions for a period of one (1) year from the date of disallowance. For this purpose, all contributions are made subject to the condition that they are deductible under the Code for the taxable year of the Adopting Employers for which the contributions are made. Furthermore, any contribution made on the basis of a mistake in fact may be returned to the Adopting Employers within one (1) year from the date such contribution was made.

3.9 Payment. The Adopting Employers shall pay to the Trustee in U.S. currency, or by other property acceptable to the Trustee, all contributions for each Plan Year within the time prescribed by law, including extensions granted by the Internal Revenue Service for filing the federal income tax return of the Company for its taxable year in which such Plan Year ends. Unless designated by the Adopting Employers as nondeductible, all contributions made, other than Employee After-Tax Contributions, shall be deemed to be conditioned on their current deductibility under section 404 of the Code.

3.10 Limits for Highly Compensated.

(a) Elective Deferrals, Employee After-Tax Contributions, Matching Contributions and Qualified Nonelective Contributions allocable to the Accounts of Highly Compensated Employees shall not in any Plan Year exceed the limits specified in this section. The Administrator may make the adjustments authorized in this section to ensure that the limits of subsection (b) (or any other applicable limits) are not exceeded, regardless of whether such adjustments affect some Participants more than others. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) (1) The Actual Deferral Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A) one hundred twenty-five percent (125%) of the Actual Deferral Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Deferral Percentage for all other Eligible Participants or the Actual Deferral Percentage for the other Eligible Participants plus two (2) percentage points.

(2) The Actual Contribution Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A) one hundred twenty five percent (125%) of the Actual Contribution Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Contribution Percentage for all other Eligible Participants or the Actual Contribution Percentage for the other Eligible Participants plus two (2) percentage points.

(3) The sum of the Actual Deferral Percentage and the Actual Contribution Percentage for the Highly Compensated Employees shall not exceed, in any Plan Year, the sum of:

(A) one hundred twenty-five percent (125%) of the greater of:

(i) the Actual Deferral Percentage of the other Eligible Participants; or

(ii) the Actual Contribution Percentage of the other Eligible Participants; and

(B) two plus the lesser of:

(i) the amount in paragraph (3)(A)(i); or

(ii) the amount in paragraph (3)(A)(ii); provided that the amount in this paragraph (3)(B) shall not exceed two hundred percent (200%) of the lesser of the amount in paragraph (3)(A)(i) or the amount in paragraph (3)(A)(ii).

(4) The limitations under section 3.10(b)(3) shall be modified to reflect any higher limitations provided by the Internal Revenue Service under regulations, notices or other official statements.

(c) The following terms shall have the meanings specified:

(1) Actual Contribution Percentage. The average of the ratios for a designated group of Employees (calculated separately for each Eligible Participant in the group) of the sum of the Matching Contributions, Employee After-Tax Contributions, Qualified Nonelective Contributions (other than those treated as part of the Actual Defferral Percentage), and Elective Deferrals (other than those treated as part of the Actual Deferral Percentage) allocated for the applicable year on behalf of the Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Contribution Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Contribution Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(2) Actual Deferral Percentage. The average of the ratios for a designated group of Eligible Participants (calculated separately for each Eligible Participant in the group) of the sum of the Elective Deferrals and Qualified Nonelective Contributions (other than those treated as part of the Actual Contribution Percentage) allocated for the applicable year on behalf of a Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Deferral Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Deferral Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(3) Compensation. The Employees wages that are required to be reported on IRS Form W-2, increased by any Elective Deferrals made by the Employer on behalf of the Employee under the Plan or any other plan of the Employer with a qualified cash or deferred arrangement under section 401(k) of the Code and any pre-tax elective contributions made by the Employer that are excludible from the Employees income under section 125 of the Code.

(4) Eligible Participant. Any Employee of an Adopting Employer who is authorized under the terms of the Plan to make Elective Deferrals or have Qualified Nonelective Contributions allocated to his or her Account for the Plan Year.

(d) For purposes of determining whether a plan satisfies the Actual Contribution Percentage test of section 401(m), all employee and matching contributions that are made under two (2) or more plans that are aggregated for purposes of sections 401(a)(4) and 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(m), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(e) In calculating the Actual Contribution Percentage for purposes of section 401(m), the actual contribution ratio of a Highly Compensated Employee will be determined by treating all plans subject to section 401(m) under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single plan.

(f) For purposes of determining whether a plan satisfies the Actual Deferral Percentage test of section 401(k), all elective contributions that are made under two (2) or more plans that are aggregated for purposes of section 401(a)(4) or 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(k), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(g) In calculating the Actual Deferral Percentage for purposes of section 401(k), the actual deferral ratio of a Highly Compensated Employee will be determined by treating all cash or deferred arrangements under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single arrangement.

(h) An elective contribution will be taken into account under the Actual Deferral Percentage test of section 401(k)(3)(A) of the Code for a Plan Year only if it is allocated to the Employee as of a date within that Plan Year. For this purpose, an elective contribution is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date and the elective contribution is actually paid to the Trust no later than twelve (12) months after the Plan Year to which the contribution relates.

3.11 Correction of Excess Contributions.

(a) Excess Contributions shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Contributions as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) An Adopting Employer may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest Compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Contributions or Excess Deferrals (whether Elective Deferrals or Qualified Nonelective Contributions) allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may recharacterize any or all Excess Contributions for a Plan Year as Employee After-Tax Contributions in accordance with the provisions of this subsection. Any Excess Contributions that are so recharacterized shall be treated as if the Participant had elected to instead receive cash Compensation on the earliest date that any Elective Deferral made on behalf of the Participant during the Plan Year would have been received had the Participant originally elected to receive such amount in cash and then contributed such amount as an Employee After-Tax Contribution. To the extent required by the Internal Revenue Service, however, such recharacterized Excess Contributions shall continue to be treated as if such amounts were not recharacterized.

(2) The Administrator shall report any recharacterized Excess Contributions as Employee After-Tax Contributions to the Internal Revenue Service and to the affected Participants at such times and in accordance with such procedures as are required by the Internal Revenue Service. The Administrator shall take such other actions regarding the amounts so recharacterized as may be required by the Internal Revenue Service.

(3) Excess Contributions may not be recharacterized under this subsection more than two and one-half (2) months after the close of the Plan Year to which the recharacterization relates. Recharacterization is deemed to occur when the Participant is so notified (as required by the Internal Revenue Service).

(4) The amount of Excess Contributions to be distributed or recharacterized shall be reduced by Excess Deferrals previously distributed for the taxable year ending in the same Plan Year and Excess Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan beginning in such taxable year.

(f) (1) The Administrator may distribute any or all Excess Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. In the event of the termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income

allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2) (A) The income allocable to Excess Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to Elective Deferrals (and amounts treated as Elective Deferrals) by a fraction, the numerator of which is the Excess Contributions by the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to Elective Deferrals (and amounts treated as Elective Deferrals) as of the beginning of the Plan Year, increased by any Elective Deferrals (and amounts treated as Elective Deferrals) by the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's subaccounts in the following order:

(A) from the Participant's Elective Deferral Account (if such Excess Contribution is attributable to Elective Deferrals); and

(B) from the Participant's Qualified Nonelective Contribution account (if such Excess Contribution is attributable to Qualified Nonelective Contributions).

(g) (1) The term "Excess Contributions" shall mean, with respect to a Plan Year, the excess of the Elective Deferrals (including any Qualified Nonelective Contributions and Matching Contributions that are treated as Elective Deferrals under sections 401(k)(2) and 401(k)(3) of the Code) on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code. For this purpose, the maximum amount of contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code shall be determined in accordance with the leveling method prescribed in Treas. Regs. section 1.401(k)-1(f)(2), or such other method as promulgated thereafter.

(2) Any distribution or recharacterization of Excess Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed or recharacterized to the extent required to eliminate the Excess Contributions or, if it results in a lower distribution or recharacterization, to the extent required to cause such Highly Compensated Employees contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Contributions are completely distributed or recharacterized.

(3) The amount of Excess Contributions to be distributed or recharacterized shall be reduced by Excess Deferrals previously distributed for the taxable year ending in the same Plan Year and Excess Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan beginning in such taxable year.

3.12 Correction of Excess Deferrals.

(a) Excess Deferrals shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Deferrals as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. A distribution of an Excess Deferral under this section may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code. This section shall be administered and interpreted in accordance with sections 401(k) and 402(g) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made before the close of the Applicable Taxable Year. Distributions under this subsection include income allocable to the Excess Distribution so distributed, as determined under this subsection.

(2) Distribution under this subsection shall only be made if all the following conditions are satisfied:

(A) the Participant seeking the distribution designates the distribution as an Excess Deferral;

(B) the distribution is made after the date the Excess Deferral is received by the Plan; and

(C) the Plan designates the distribution as a distribution of an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under subsection (d)(3), except that income shall only be determined for the period from the beginning of the Applicable Taxable Year to the date on which the distribution is made.

(d) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made after the close of the Applicable Taxable Year. Distribution under this subsection shall only be made if the Participant timely provides the notice required under subsection (d)(2) and such distribution is made after the Applicable Taxable Year and before the first April 15 following the close of the Applicable Taxable Year. Distributions under this subsection shall include income allocable to the Excess Deferrals so distributed, as determined under this subsection.

(2) Any Participant seeking a distribution of an Excess Deferral in accordance with this subsection must notify the Administrator of such request no later than the first March 15 following the close of the Applicable Taxable Year. The Administrator may agree to accept notification received after such date (but before the first April 15 following the close of the Applicable Taxable Year) if it determines that it would still be administratively practicable to make such distribution in view of the delayed notification. The notification required by this subsection shall be deemed made if a Participant's Elective Deferrals to the Plan in any Plan Year create an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under section 3.11(f)(2), except that the term "Excess Deferrals" shall be substituted for "Excess Contributions" and the term "Applicable Taxable Year" shall be substituted for "Plan Year." The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection.

(e) The following terms shall have the meanings specified:

(1) Applicable Taxable Year. The taxable year (for federal income tax purposes) of the Participant in which an Excess Deferral must be included in gross income (when made) in accordance with section 402(g) of the Code.

(2) Excess Deferral. A Participant's Elective Deferrals (and other contributions limited by section 402(g) of the Code), for an Applicable Taxable Year that are in excess of the limits imposed by section 402(g) of the Code for such Applicable Taxable Year.

3.13 Correction of Excess Aggregate Contributions.

(a) Excess Aggregate Contributions shall be corrected as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed to a Participant.

(c) (1) The Company may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Aggregate Contributions allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may forfeit any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. The amounts so forfeited shall not include any amounts that are nonforfeitable under ARTICLE V.

(2) Any forfeitures under this subsection shall be made in accordance with the procedures for distributions under subsection (f) except that such amounts shall be forfeited instead of being distributed.

(f) (1) The Administrator may distribute any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. Such distributions shall be specifically designated by the Administrator as a distribution of Excess Aggregate Contributions. In the event of the complete termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Aggregate Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2) (A) The income allocable to Excess Aggregate Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to employee contributions, matching contributions and amounts treated as matching contributions by a fraction, the numerator of which is the Excess Aggregate Contributions for the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to employee contributions, matching contributions and amounts treated as matching contributions as of the beginning of the Plan Year, increased by the employee contributions, matching contributions and amounts treated as matching contributions for the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's Account in the following order:

(A) from the Participant's Qualified Nonelective Contribution Account (if such Excess Aggregate Contribution is attributable to Qualified Nonelective Contributions);

(B) from the Participants Employee After-Tax Contribution Account (if such Excess Aggregate Contribution is attributable to Employee After-Tax Contributions); and

(C) from the Participant's Matching Contribution Account (if such Excess Aggregate Contribution is attributable to Matching Contributions).

(g) (1) The term "Excess Aggregate Contributions" shall mean, with respect to a Plan Year, the excess of the aggregate amount of the matching contributions and employee contributions (including any Qualified Nonelective Contributions or elective deferrals taken into account in computing the Actual Contribution Percentage) actually made on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under section 401(m)(2)(A) of the Code. For this purpose, the maximum amount of contributions permitted under section 401(m)(2)(A) of the Code shall be determined in accordance with the leveling method described in section 3.11(g)(1) of the Plan.

(2) Any distribution of Excess Aggregate Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed to the extent required to eliminate the Excess Aggregate Contributions or, if it results in a lower distribution, to the extent required to cause such Highly Compensated Employees contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Aggregate Contributions are completely distributed.

(3) The terms "employee contributions" and "matching contributions" shall, for purposes of this section, have the meanings set forth in Treas. Reg. 1.401(m)-1(f).

3.14 Correction of Multiple Use.

(a) If the limitations of Treas. Reg. 1.401(m)-2 are exceeded for any Plan Year, then correction shall be made in accordance with the provisions of this section. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) Any correction required by this section shall be calculated and administered in accordance with the provisions for correcting Excess Contributions (in section 3.11), Excess Aggregate Contributions (in section 3.13) or both, as the Administrator determines in its sole discretion. Any correction required by this section, to the extent possible, shall be made only with respect to those Highly Compensated Employees who are eligible in both the arrangement subject to section 401(k) of the Code and the Plan, as subject to section 401(m) of the Code.

ARTICLE IV
Investment of Accounts

4.1 Election of Investment Funds.

(a) Except as otherwise prescribed in subsections (b) and (c) below, upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Account be invested in increments of one percent (1%) in one or more of the following investment funds:

(1) Fund A. An equity fund designated by the Administrator;

(2) Fund B. A fixed income fund designated by the Administrator;

(3) Fund C. Common Stock fund;

(4) Fund D. A stock index fund designated by the Administrator;

(5) Fund E. A balanced fund designated by the Administrator;

(6) Fund F. A growth fund designated by the Administrator, investing primarily in equities of companies of all types and sizes;

(7) Fund G. A growth fund designated by the Administrator, investing primarily in equities of well-known and established companies;

(8) Fund H. General Motors Class H stock fund;

(9) Fund I. Raytheon Company Class A stock fund.

(b) Amounts contributed to a Participant's Matching Contribution Account must be invested in Fund C (Common Stock fund) until the end of two (2) full Plan Years following the Plan Year for which such contributions are made. Thereafter, a Participant may designate the investment of the Matching Contribution funds in accordance with the provisions of subsection (a) above.

(c) The only assets that may be invested in Fund H or Fund I are the General Motors Class H stock and cash directly transferred from the Hughes Tucson Bargaining Employees Thrift and Savings Plan pursuant to section 3.7(b)(4). A Participant may not direct that any other funds in the Participants Account be invested in Fund H or Fund I. Notwithstanding subsection (d) below, the Administrator shall maintain Fund H and Fund I as investment options under the Plan, subject to the limitations prescribed in this subsection (c), for five (5) complete Plan Years following the Effective Date; provided, however, that if at any time prior to the expiration of such five (5) year period, the aggregate fair market value of the assets invested in either Fund H or Fund I falls below five percent (5%) of the highest fair market value of the assets invested in Fund H or Fund I, respectively, the Administrator may, with six (6) months written notice to affected Participants, eliminate Fund H or Fund I, as applicable, as investment options under the Plan. Notwithstanding the foregoing, the Administrator may eliminate one or both funds at any time if the Administrator determines in good faith that such elimination is necessary under applicable law (including without limitation the prudence requirements of ERISA). When Fund H and Fund I are eliminated in accordance with this section 4.1(c), Participants with assets invested in Fund H or Fund I, as applicable, shall direct the transfer of such assets to other funds available under the Plan or, if no such election is made, the Administrator shall transfer such assets to Fund B or a similar low risk fixed income fund as determined by the Administrator in its discretion.

(d) In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion.

(e) Except as otherwise prescribed in subsections (b) and (c) above, a Participant's investment election will apply to the entire Account of the Participant.

(f) In establishing rules and procedures under section 4.1, the following shall apply:

(1) Each Participant, Beneficiary or Alternate Payee shall affirmatively elect to self-direct the investment of assets in his or her Account, but such election may provide for default investments in the absence of specific directions from such Participant, Beneficiary or Alternate Payee.

(2) The investment directions of a Participant shall continue to apply after that Participant's death or incompetence until the Beneficiary (or, if there is more than one Beneficiary for that Account, all of the Beneficiaries), guardian or other representatives provide contrary direction.

(3) The Administrator may decline to implement investment designations if such investment, in the Administrator's judgment:

(A) would result in a prohibited transaction under section 4975 of the Code;

(B) would generate income taxable to the Trust Fund;

(C) would not be in accordance with the Plan and Trust;

(D) would cause a Fiduciary to maintain the indicia of ownership of any assets of the Trust Fund outside the jurisdiction of the district courts of the United States other than as permitted by section 404(b) of ERISA and Labor Reg. 2550.404(b)-1;

(E) would jeopardize the Plan's tax qualified status under the Code;

(F) could result in a loss in excess of the amount credited to the Account; or

(G) would violate any other requirements of the Code or ERISA.

(4) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator may establish reasonable restrictions on the frequency with which investment directions may be given, consistent with section 404(c) of ERISA.

(5) The Administrator may establish limits on the use of brokers, investment counsel or other advisors that may be utilized, including specifying that all investments must be made through a designated broker or brokers.

(6) The Administrator may establish limits on the types of investments that are permitted.

(g) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator shall establish such rules and procedures as may be advisable or necessary to carry out the provisions of this section, with such rules and procedures being consistent with section 404(c) of ERISA.

(h) The Administrator shall establish such rules and procedures as may be advisable or necessary to reasonably ensure that all transactions involving the investment funds comply with all applicable laws, including the securities laws.

4.2 Change in Investment Allocation of Future Deferrals. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to change the investment allocation of future contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to the Recordkeeper. Any changes must be made either in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3 Transfer of Account Balances Between Investment Funds. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to transfer all or a portion of the amount in his or her Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to the Recordkeeper. In determining the amount of the transfer, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to the Recordkeeper.

4.4 Ownership Status of Funds. The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D, E, F, G, H and I and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, in a cash amount and shall reflect each Participant's portion of Funds C, H and I in cash and unitized shares of stock.

4.5 Voting Rights. Participants whose Account has shares of participation in Funds C or I on the last business day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in Funds C and I, as applicable, by the closing price of the respective classes of stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote the Participant's shares as recommended by management. In addition, each Participant shall have the right to accept or reject any tender or exchange offer for shares of the respective classes of stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of the respective classes of stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from an individual Participant shall be held in confidence by the Trustee and shall not be divulged to the Adopting Employers or to any officer or employee thereof or to any other person.

4.6 Allocation of Earnings.

(a) (1) The Administrator, as of each Valuation Date, shall adjust the amounts credited to the Accounts (including Accounts for persons who are no longer Employees) so that the total of such Account balances equals the fair market value of the Trust Fund assets as of such Valuation Date. Except as otherwise provided herein, any changes in the fair market value of the Trust Fund assets since the preceding Valuation Date shall be charged or credited to each Account in the ratio that the balance in each such Account as of the preceding Valuation Date bears to the balances in all Accounts as of that Valuation Date with appropriate adjustments to reflect any distributions, allocations or similar adjustments to such Account or Accounts since that Valuation Date.

(2) To the extent that separate investment funds are established (as provided in section 4.1), the adjustments required by subsection (a)(1) shall be made by applying subsection (a)(1) separately for each such investment fund so that any changes in the net worth of each such investment fund are charged or credited to the portion of each Account invested in such investment fund in the ratio that the portion of each such Account invested in such investment fund as of the preceding Valuation Date (reduced by any distributions made from that portion of such Account since that Valuation Date) bears to the total amount credited to such investment funds as of that Valuation Date (reduced by distributions made from such investment fund since that Valuation Date).

(3) Interim valuations, in accordance with the foregoing procedure, may be made at such time or times as the Administrator directs.

(b) The Administrator may, in its sole discretion, direct the Trustee to segregate and separately invest any Trust Fund assets. If any assets are segregated in this fashion, the earnings or losses on such assets shall be determined apart from other Trust assets and shall be adjusted on each Valuation Date, or at such other times as the Administrator deems necessary, in accordance with this section.

ARTICLE V
Vesting

5.1 Elective Deferral, Employee After-Tax Contribution, Rollover Contribution and Qualified Nonelective Contribution Accounts. Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Elective Deferral, Employee After-Tax Contribution, Rollover Contribution and Qualified Nonelective Contribution Accounts.

5.2 Matching Contribution Account.

(a) Each Participant shall have a Nonforfeitable right to his or her Matching Contribution Account upon the earliest of:

(1) the Participant's completion of a Period of Service of five (5) years;

(2) the Participant's completion of a Period of Participation of three (3) years;

(3) the Participant's Retirement, death while an Employee, Disability or attainment of Normal Retirement Age; or

(4) the Participant's Layoff or Severance from Service due to Qualified Military Service.

5.3 Break in Service Rules

(a) Periods of Service. In determining the length of a Period of Service, the Administrator shall include all Periods of Service, except the following Periods of Service shall not be taken into account:

(1) in the case of a Participant who has not made Elective Deferrals to the Plan, the Period of Service before any Period of Severance which equals or exceeds five (5) consecutive years; and

(2) in the case of a Participant who has made Elective Deferrals to the Plan and who has incurred a Period of Severance which equals or exceeds five (5) years, the Period of Service after such Period of Severance shall not be taken into account for purposes of determining the nonforfeitable interest of such Participant in the Matching Contributions allocated to his or her Account before such Period of Severance.

(b) Periods of Severance. In determining the length of a Period of Service for purposes of section 14.40, the Administrator shall include any period of time beginning on an Employee's Severance from Service Date and ending on the date on which he or she is next credited with an Hour of Service, provided that such Hour of Service is credited within the twelve-(12) consecutive month period following such Severance from Service Date.

(c) Other Periods. In making the determinations described in subsections (a) and (b) of this section, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE VI
Withdrawals and Distribution of Benefits

6.1 In-Service Withdrawals - Matching Contributions. Upon completion of a Period of Participation of five (5) years, a Participant may withdraw, subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or part of the Participant's Matching Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.16. Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator will be made in cash; withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or uninvested shares) as directed by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Matching Contribution Account.

6.2 In-Service Withdrawals -- Elective Deferral and Qualified Nonelective Contribution Accounts. While an Employee, a Participant may withdraw all or a portion of his or her Elective Deferral Account and Qualified Nonelective Contribution Account on or after attainment of age fifty-nine and one-half (59).

6.3 In-Service Withdrawals -- Hardship.

(a) A Participant who has experienced a hardship, as described in this section, may withdraw from his or her Elective Deferral Account amounts attributable to Elective Deferrals (adjusted for net losses, if any). Whether a Participant is entitled to a withdrawal under this section is to be determined by the Administrator in accordance with nondiscriminatory and objective standards. In order to be entitled to a hardship withdrawal under this section, a Participant must satisfy the requirements of both subsection (b) and subsection (c).

(b) A Participant will be deemed to have experienced an immediate and heavy financial need necessary to satisfy the requirements of this subsection if the withdrawal is on account of:

(1) medical expenses described in section 213(d) of the Code incurred by the Participant, the Participant's spouse or any dependents of the Participant;

(2) the purchase (excluding mortgage payments) of a principal resident of the Participant;

(3) payment of tuition for the next twelve (12) months of post-secondary education for the Participant or his or her spouse, children or dependents; or

(4) the need to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage of the Participant's principal residence.

(c) (1) A withdrawal under this subsection will be deemed necessary to satisfy an immediate and heavy financial need of the Participant if it satisfies the requirements of this subsection. To the extent the amount of the withdrawal would be in excess of the amount required to relieve the financial need of the Participant or to the extent such need may be satisfied from other resources that are reasonably available to the Participant, such withdrawal shall not satisfy the requirements of this subsection. For purposes of this subsection, a Participant's resources shall be deemed to include those assets of his or her spouse or minor children that are reasonably available to the Participant.

(2) A withdrawal may be treated as necessary to satisfy a financial need if the Administrator reasonably relies upon the Participant's representation that the need cannot be relieved:

(A) through reimbursement or compensation by insurance or otherwise;

(B) by reasonable liquidation of the Participant's assets to the extent such liquidation would not itself cause an immediate and heavy financial need;

(C) by cessation of Elective Deferrals under the Plan for at least twelve (12) months after receipt of the hardship withdrawal;

(D) by other distributions or nontaxable (at the time of the loan) loans from plans maintained by the Adopting Employers or by any other employer or by borrowing from commercial sources on reasonable commercial terms.

(d) If a Participant receives a withdrawal for reasons of financial hardship, the Participants Elective Deferrals shall be reduced to four percent (4%) (or such lower percentage as the Participant shall thereafter designate), if in excess thereof as of the date of the distribution, and shall not be increased during the twelve (12) months immediately subsequent to the date of distribution.

(e) Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

(f) Withdrawals will be based upon the value of the Account as determined under section 6.16.

(g) payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal.

(h) Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

(i) Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Elective Deferral Account.

6.4 In-Service Withdrawals -- Rollover Contribution Account. A Participant may withdraw all or a portion of his or her Rollover Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.16. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant. Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

6.5 In-Service Withdrawals -- Employee After-Tax Contributions. A Participant may withdraw all or a portion of his or her Employee After-Tax Contributions. Withdrawals will be based upon the value of the Account as determined under section 6.16. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

6.6 Redeposits Prohibited. No amount withdrawn pursuant to sections 6.1, 6.2, 6.3, 6.4 or 6.5 may be redeposited in the Plan.

6.7 Distribution of Benefits.

(a) All benefits payable under this Plan shall be paid in the manner and at the times specified in this ARTICLE. Any payments to Participants or Beneficiaries shall be made in cash (or cash equivalents) except as otherwise provided herein. Distributions may be made wholly or partly by an in-kind distribution of assets held by the Trust Fund if the distributee consents to such an in-kind distribution and the Administrator determines that such an in-kind distribution is not administratively burdensome.

(b) All payment methods and distributions shall comply with the requirements of sections 401(a)(4) and 401(a)(9) of the Code and the regulations thereunder and, if necessary, shall be interpreted to so comply. The provisions of this ARTICLE apply to all amounts credited to an Account, regardless of the source of such amounts. All distributions shall comply with the incidental death benefit requirement of section 401(a)(9)(G) of the Code. Distributions shall comply with the regulations under section 401(a)(9) of the Code, including Treas. Reg. 1.401(a)(9)-2. The provisions of the Plan reflecting section 401(a)(9) of the Code override any distribution provisions in the Plan inconsistent with section 401(a)(9).

(c) Distribution of the Participant's Account (to which the Participant has a Nonforfeitable right) will be made at the direction of the Participant (or his or her legal representative or Beneficiary in the case of his or her Disability or death) upon the Retirement, Disability, death or Severance from Service of the Participant. In the event the Participant dies or his or her Severance from Service occurs after his or her Normal Retirement Age, or if the value of the Nonforfeitable portion of the Participant's Account as of the Valuation Date which coincides with or immediately precedes the date of distribution is not in excess of three thousand five hundred dollars ($3,500), the Administrator shall cause the distribution to automatically be made.

(d) Payment will be made in the form of a lump-sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right), which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant to the Recordkeeper for the distribution. Distributions will be based upon the value of the Account as determined under section 6.16. Distribution of the amounts in said accounts in the funds designated in Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Distribution of the amounts in Funds C, H and I (if any) will be made in either cash or stock, at

the election of the Participant or, in the case of death, the Participants Beneficiary. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of his or her Account is to be made, such payment shall be made in a lump-sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary notwithstanding: the Participant's (1) spouse, (2) children and issue of deceased children by right of representation, (3) parents, (4) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (5) executors or administrators. If no Beneficiary can be located during a period of seven (7) years from the date of death, the amount of the distribution shall revert to the Trust and be treated in the same manner as a forfeiture under section 3.6.

(e) If the Participant dies before the time when distribution is considered to have commenced in accordance with applicable regulations, then any remaining portion of the Participant's interest will be distributed within five (5) years after the Participant's death. If a distribution is considered to have commenced in accordance with the applicable regulations before the Participant's death, the remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the Participant's death.

(f) Except as provided by section 401(a)(9) of the Code as set forth in this section, benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(1) attainment by the Participant of Normal Retirement Age;

(2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or

(3) Participant's Severance from Service.

6.8 Mandatory Distributions.

A Participant who has attained age seventy and one-half (70-1/2) and is subject to the mandatory distribution requirements of section 401(a)(9) shall receive a lump sum distribution of the Participants Account (to which the Participant has a nonforfeitable right) at the time distributions must commence in order to comply with such requirements. If additional amounts are allocated to the Participants Account following such lump sum distribution, additional lump sum distributions of the Participants Account (to which the Participant has a nonforefeitable right) shall be made at such times any mandatory distributions are required to comply with section 401(a)(9). Such payments shall be made notwithstanding any contrary provisions of the Plan or election made by such Participant.

6.9 Commencement of Benefits.

(a) Except as otherwise provided in this ARTICLE, distribution to a Participant (or Beneficiary) shall commence within a reasonable period of time following the Participant's Retirement, Disability, death or Severance from Service.

(b) If the vested amount in the Participant's Account exceeds or ever exceeded three thousand five hundred dollars ($3, 500), then payment to the Participant shall not commence before such Participant has attained age sixty-five (65), unless the Participant requests an earlier distribution. Such request must be made not more than ninety (90) days before the commencement of the distribution.

6.10 Payments to Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is adjudicated to be legally incapable of giving valid receipt and discharge for such benefits, the benefits may be paid to the duly authorized personal representative of such Participant or Beneficiary.

6.11 Income Tax Withholding. To the extent required by section 3405 of the Code, distributions and withdrawals from the Plan shall be subject to federal income tax withholding.

6.12 Direct Rollovers.

(a) A Participant may elect that all or any portion of a distribution that would otherwise be paid as an Eligible Rollover Distribution shall instead be transferred as a Direct Rollover.

(b) (1) The Administrator shall determine and apply rules and procedures as it deems reasonable with respect to Direct Rollovers in addition to, or in lieu of, those set forth in subsection (b)(2). The Administrator may change such rules and procedures from time to time and shall not be bound by any previous rules and procedures it has applied.

(2) Unless otherwise determined by the Administrator, the following rules and procedures shall apply to this section:

(A) A Direct Rollover shall not be permitted to more than one Eligible Retirement Plan.

(B) A Direct Rollover shall not be permitted if it constitutes less than the full amount of the Eligible Rollover Distribution.

(c) The following terms shall have the meanings specified:

(1) Direct Rollover. An available distribution that is paid directly to an Eligible Retirement Plan for the benefit of the distributee.

(2) Distributee. A Participant or former Participant. In addition, the Participant's or former Participant's Surviving Spouse or former spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

(3) Eligible Retirement Plan. An individual retirement account described in section 408(a) of the Code, an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code if such qualified trust is part of a plan that permits acceptance of Direct Rollovers or an annuity plan described in section 403(a) of the Code. In the case of a Direct Rollover for the benefit of the spouse or former spouse of a Participant, the term "Eligible Retirement Plan" shall only include an individual retirement account described in section 408(a) of the Code and an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code.

(1) Eligible Rollover Distribution. Any distribution under the Plan to a Participant, a Participants spouse or a Participants former spouse, except for the following:

(A) Any distribution to the extent the distribution is required under section 401(a)(9) of the Code.

(B) The portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation described in section 402(e)(4) of the Code).

(C) Returns of elective deferrals described in Treas. Reg. 1.415-6(b)(6)(iv) that are returned as a result of the limitations under section 415 of the Code.

(D) Corrective distributions of excess contributions and excess deferrals under qualified cash or deferred arrangements as described in Treas. Reg. 1.401(k)-1(f)(4) and 1.402(g)-1(e)(3), respectively, and corrective distributions of excess aggregate contributions as described in Treas. Reg. 1.401(m)-1(e)(3), together with the income allocable to these corrective distributions.

(E) Loans treated as distributions under section 72(p) of the Code and not excepted by section 72(p)(2) of the Code.

(F) Loans in default that are deemed distributions.

(G) Dividends paid on employer securities as described in section 404(k) of the Code.

(H) The costs of life insurance coverage.

(I) Similar items designated by the Internal Revenue Service in revenue rulings, notices, and other guidance of general applicability.

6.13 Notice and Payment Elections.

(a) The Administrator shall provide Participants or other Distributees of Eligible Rollover Distributions with a written notice designed to comply with the requirements of section 402(f) of the Code. Such notice shall be provided within a reasonable period of time before making an Eligible Rollover Distribution.

(b) Any elections concerning the payment of benefits under section 6.7 shall be made on a form prescribed by the Administrator. The Participant or other Distributee shall submit a completed form to the Administrator at least thirty (30) days before payment is scheduled to commence, unless the Administrator agrees to a shorter time period. Any election made under this section shall be revocable until thirty (30) days before payment is scheduled to commence.

(c) An election to have payment made in a Direct Rollover shall only be valid if the Participant or other Distributee provides adequate information to the Administrator for the implementation of such Direct Rollover and such reasonable verification as the Administrator may require that the transferee is an Eligible Retirement Plan.

6.14 Qualified Domestic Relations Orders.

(a) Notwithstanding any contrary provision of the Plan, payments shall be made in accordance with any judgment, decree or order determined to be a Qualified Domestic Relations Order.

(b)(1) If the Plan receives a Domestic Relations Order, the Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and of the Plan's procedures for determining whether such order is a Qualified Domestic Relations Order. The Administrator shall, within a reasonable period after receipt of such order, determine whether it is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of that determination.

(2) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined, the Administrator shall separately account for the amounts that would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order.

(c)(1) A Domestic Relations Order meets the requirements of this subsection only if such order clearly specifies the following:

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order;

(B) the amount or the percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee or the manner in which such amount or percentage is to be determined;

(C) the number of payments or period to which such order applies; and

(D) each plan to which such order applies.

(2) A Domestic Relations Order meets the requirements of this subsection only if such order does not:

(A) require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan;

(B) require the Plan to provide increased benefits (determined on the basis of actuarial value); and

(C) does not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(d) A domestic relations order shall not be treated as failing to meet the requirements of section 6.14(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee:

(1) in the case of any payment before a Participant has separated from service, on or after the date on which the Participant attains (or would have attained) the Earliest Retirement Date;

(2) as if the Participant had retired on the date on which such payment is to begin under such order (but taking into account only the present value of the benefits actually accrued and not taking into account the present value of any employer subsidy for early retirement); and

(3) in any form in which such benefits may be paid under the Plan to the Participant (other than in the form of a qualified joint and survivor annuity with respect to the Alternate Payee and his or her subsequent spouse).

(e) A domestic relations order shall not be treated as failing to meet the requirements of section 6.14(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee at a date before the Participant is entitled to receive a distribution. Such distribution shall be made to such Alternate Payee notwithstanding any contrary provision of the Plan.

(f) The following terms shall have the meanings specified:

(1) Alternate Payee. Any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to benefits under the Plan with respect to such Participant.

(2) Domestic Relations Order. A judgment, decree or order relating to child support, alimony or marital property rights, as defined in section 414(p)(1)(B) of the Code.

(3) Earliest Retirement Date. The earlier of:

(A) the date on which the Participant is entitled to a distribution under the Plan; or

(B) the later of:

(i) the date the Participant attains age fifty (50); or

(ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service.

(4) Qualified Domestic Relations Order. A Domestic Relations Order that satisfies the requirements of subsection (c) and section 414(p)(1)(A) of the Code.

(g) If an Alternate Payee entitled to payment under this section is the spouse or former spouse of a Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion, of such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.12.

(h) If a Domestic Relations Order directs that payment be made to an Alternate Payee before the Participant's Earliest Retirement Date and such Domestic Relations Order otherwise qualifies as a Qualified Domestic Relations Order, then the Domestic Relations Order shall be treated as a Qualified Domestic Relations Order and such payment shall be made to the Alternate Payee, even though the Participant is not entitled to receive a distribution under the Plan because he or she continues to be an Employee of one of the Adopting Employers.

(i) This section shall be interpreted and administered in accordance with section 414(p) of the Code.

6.15 Lost Beneficiary.

(a) All Participants and Beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid.

(b) If any amount is payable to a Participant or Beneficiary who cannot be located to receive such payment, such amount may, at the discretion of the Administrator, be forfeited; provided, however, that if such Participant or Beneficiary subsequently claims the forfeited amount, it shall be reinstated and paid to such Participant or Beneficiary. Such reinstatement may, in the Administrator's sole discretion, be made from Company Contributions, forfeitures or Trust earnings, and shall be treated as a special allocation that supersedes the normal allocation rules.

(c) If the Administrator has not, after due diligence, located a Participant or Beneficiary who is entitled to payment within three (3) years after the Participant's Severance from Service, then, at the discretion of the Administrator, such person may be presumed deceased for purposes of this Plan. Any such presumption of death shall be final, conclusive and binding on all parties.

6.16 Determination of Amount of Withdrawal or Distribution. In determining the amount of any withdrawal or distribution hereunder, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day.

6.17 Offsets. Any transfers or payments made from a Participant's Account to a person other than the Participant pursuant to the provisions of this Plan shall reduce the Participant's Account and offset any amounts otherwise due to such Participant. Such transfers or payments shall not be considered a forfeiture for purposes of the Plan.

ARTICLE VII
Loans

7.1 Availability of Loans. Participants may borrow against all or a portion of the balance in the Participant's Elective Deferral Account, Employee After-Tax Contribution Account and Rollover Contribution Account, and the Matching Contribution Account if the Participant has a Nonforfeitable right thereto pursuant to section 5.2, subject to the limitations set forth in this ARTICLE. Participants who have incurred a Severance from Service will not be eligible for a Plan loan. The Vice President, Human Resources, is authorized to administer this loan program.

7.2 Minimum Amount of Loan. No loan of less than five hundred dollars ($500) will be permitted.

7.3 Maximum Amount of Loan. No loan in excess of fifty percent (50%) of the Participant's Nonforfeitable Account balance will be permitted. In addition, limits imposed by the Code and any other requirements of applicable statute or regulation will be applied. Under the current requirements of the Code, if the aggregate value of a Participant's Nonforfeitable Account balance exceeds twenty thousand dollars ($20,000), the loan cannot exceed the lesser of one-half () the Participants Nonforfeitable Account balance or fifty thousand dollars ($50,000) reduced by the excess of (a) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan was made over (b) the outstanding balance of loans from the Plan on the date on which such loan was made.

7.4 Effective Date of Loans. Loans will be effective as specified in the Administrator's rules then in effect.

7.5 Repayment Schedule. The Participant may select a repayment schedule of one, two, three, four or five (1, 2, 3, 4 or 5) years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to fifteen (15) years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Adopting Employers, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump-sum. The minimum repayment amount per pay period is ten dollars ($10) for Participants paid weekly and fifty dollars ($50) for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan. Loan repayments will be suspended under this Plan as permitted under section 414(u) of the Code.

7.6 Limit on Number of Loans. No more than two (2) loans may be outstanding at any time.

7.7 Interest Rate. The interest rate for a loan pursuant to this ARTICLE will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective at any time during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective at any time during the period January 1 through June 30 thereafter.

7.8 Effect Upon Participant's Elective Deferral Account. Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Accounts in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Matching Contribution Account; Elective Deferral Account; Rollover Contribution Account; and Employee After-Tax Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in the reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9 Effect of Severance From Service and Nonpayment. In the event that a loan remains outstanding upon the Severance from Service of a Participant, the Participant will be given the option of continuing to repay the outstanding loan. In any case where payments on the outstanding loan are not made within ninety (90) days of the Participant's Severance from Service Date, the amount of any unpaid principal will be deducted from the Participant's account and reported as a distribution. If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after the Participant returns to active employment with the Employer, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension. In the event the Participant does not return to active employment with the Employer, the Participant will be given the option of continuing to repay the outstanding loan. If the Participant fails to resume payments on the loan, the outstanding loan will be reported as a taxable distribution. In no event, however, shall the loan be deducted from the Participant's Account earlier than the date on which the Participant (i) incurs a Severance from Service, or, (ii) attains age fifty-nine and one-half (59).

ARTICLE VIII
Contribution and Benefit Limitations

8.1 Contribution Limits.

(a) The Annual Additions that may be allocated to a Participant's Account for any Limitation Year shall not exceed the lesser of:

(1) thirty thousand dollars ($30,000); or

(2) twenty-five percent (25%) of the Participant's Compensation for that Limitation Year.

(b) If the Employer maintains any other Defined Contribution Plans then the limitations in subsection (a) shall be computed with reference to the aggregate Annual Additions for each Participant from all such Defined Contribution Plans.

(c) If the Annual Additions for a Participant would exceed the limits specified in this section, then the Annual Additions under this Plan for that Participant shall be reduced to the extent necessary to prevent such limits from being exceeded. Such reduction shall be made in accordance with section 8.4.

8.2 Overall Limits.

(a) If a Participant is participating in both a Defined Contribution Plan and a Defined Benefit Plan of the Employer, then the sum of the Defined Contribution Fraction and the Defined Benefit Fraction for any Limitation Year shall not exceed 1.0.

(b) If the sum of the Defined Contribution Fraction and the Defined Benefit Fraction would exceed 1.0, then the annual benefits under the Defined Benefit Plan shall be reduced to the extent necessary so that the sum of such fractions does not exceed 1.0.

8.3 Annual Adjustments to Limits. The dollar limits for Annual Additions and the dollar limits in the Defined Benefit Fraction and Defined Contribution Fraction shall be adjusted for cost-of-living to the extent permitted under section 415 of the Code.

8.4 Excess Amounts.

(a) The foregoing limits shall be limits on the allocation that may be made to a Participant's Account in any Limitation Year. If an excess Annual Addition would otherwise result from allocation of forfeitures, reasonable errors in determining Compensation or other comparable reasons, then the Administrator may take any (or all) of the following steps to prevent the excess Annual Additions from being allocated:

(1) return any contributions from the Participant, as long as such return is nondiscriminatory;

(2) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against Matching Contributions for that Participant made in succeeding years;

(3) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against succeeding year Matching Contributions;

(4) reallocate the excess amounts to other Participants.

(b) Any suspense account established under this section shall not be credited with income or loss unless otherwise directed by the Administrator. If a suspense account under this section is to be applied in a subsequent Limitation Year, then the amounts in the suspense account shall be applied before any Annual Additions (other than forfeitures) are made for such Limitation Year.

8.5 Definitions.

(a) The following terms shall have the meanings specified:

(1) Annual Addition. The sum for any Limitation Year of additions (not including Rollover Contributions) to a Participant's Account as a result of:

(A) Employer contributions (including Matching Contributions, Qualified Nonelective Contributions and Elective Deferrals);

(B) Employee contributions;

(C) forfeitures; and

(D) amounts described in Code sections 415(l)(1) and 419A(d)(2).

(2) Defined Benefit Fraction. A fraction, the numerator of which is the Projected Annual Benefit of the Participant under all Defined Benefit Plans of the Employer (determined as of the close of the Limitation Year) and the denominator of which is the Projected Annual Benefit the Participant would have under such plans (determined as of the close of the Limitation Year) if such plans provided an annual benefit equal to the lesser of:

(A) the product of 1.25 multiplied by ninety thousand dollars ($90,000); or

(B) the product of 1.4 multiplied by one hundred percent (100%) of the Participant's average Compensation for the Participant's three (3) consecutive Years of Service that produce the highest average Compensation.

For purposes of determining the Defined Benefit Fraction of a Participant who was employed by an Adopting Employer on December 18, 1997 or who transferred to an Adopting Company from General Motors Corporation or one of its affiliates after such date and before December 1, 1998, service for and Compensation received from General Motors Corporation and its affiliates, if any, shall be taken into account, and the Projected Annual Benefit under any Defined Benefit Plan of the Employer shall not be reduced as a result of the transfer of any assets or liabilities from a Defined Benefit Plan maintained by General Motors Corporation and its affiliates.

(3) Defined Benefit Plan. Any plan qualified under section 401(a) of the Code that is not a Defined Contribution Plan.

(4) Defined Contribution Fraction. A fraction, the numerator of which is the sum of the Annual Additions to the Participant's Accounts as of the close of the Limitation Year, and the denominator of which is equal to the sum of the lesser of the following amounts determined for such Limitation Year and for each prior year of service with the Employer:

(A) the product of 1.25 multiplied by thirty thousand dollars ($30,000); or

(B) the product of 1.4 multiplied by twenty-five percent (25%) of the Participant's Compensation.

For purposes of determining the Defined Contribution Fraction of a Participant, services performed for, Compensation paid by and Annual Additions made by General Motors Corporation or any of its affiliates shall not be taken into account.

(5) Defined Contribution Plan. A plan qualified under section 401(a) of the Code that provides an individual account for each Participant and benefits based solely on the amount contributed to the Participant's Account, plus any income, expenses, gains and losses, and forfeitures of other Participants which may be allocated to such Participant's account.

(6) Limitation Year. The Plan Year, until the Employer adopts a different Limitation Year.

(7) Projected Annual Benefit. The annual benefit to which a Participant would be entitled, assuming:

(A) the Participant continues in employment until Normal Retirement Age under the Plan;

(B) the Participant's Compensation for the Limitation Year remains the same until such Normal Retirement Age; and

(C) all other relevant factors under the Plan for the Limitation Year will remain constant.

(b) For purposes of this ARTICLE, the term "Compensation" shall mean all amounts paid to an Employee for personal service actually rendered to the Employer, including, but not limited to, wages, salary, commissions, bonuses, overtime and other premium pay as specified in Treas. Reg. 1.415-2(d)(2), but excluding deferred compensation, stock options, and other distributions that receive special tax treatment as specified in Treas. Reg. 1.415-2(d)(3). For Plan Years beginning after 1997, Compensation for this purpose will include salary reduction amounts under section 125 cafeteria plans and section 401(k), 403(b) and 457 plans. This definition shall be interpreted in a manner consistent with the requirements of section 415 of the Code.

ARTICLE IX
Top-Heavy Rules

9.1 General. This ARTICLE shall only be applicable if the Plan becomes a Top-Heavy Plan under section 416 of the Code. If the Plan does not become a Top-Heavy Plan, then none of the provisions of this ARTICLE shall be operative. The provisions of this ARTICLE shall be interpreted and applied in a manner consistent with the requirements of section 416 of the Code and the regulations thereunder.

9.2 Vesting.

(a) If the Plan becomes a Top-Heavy Plan, then amounts in a Participant's Account attributable to Matching Contributions shall be vested in accordance with this section, in lieu of ARTICLE V, to the extent this section produces a greater degree of vesting. This section shall only apply to Participants who have at least an Hour of Service after the Plan becomes a Top-Heavy Plan.

(b) If applicable, amounts in a Participant's Account attributable to Matching Contributions shall vest as follows:

Years of Top Heavy Service	Vested Percentage
Fewer than 3	0%
3 or more	100%

(c) If the Plan ceases to be a Top-Heavy Plan then subsection (b) shall no longer be applicable; provided, however, that in no event shall the vested percentage of any Participant be reduced by reason of the Plan ceasing to be a Top-Heavy Plan. Subsection (b) shall nevertheless continue to apply for any Participant who was previously covered by it and who has at least three (3) Years of Top-Heavy Service.

9.3 Minimum Contribution.

(a) For each Plan Year that the Plan is a Top-Heavy Plan, the Adopting Employers shall make a contribution to be allocated directly to the Account of each Non-Key Employee.

(b) The amount of the contribution (and forfeitures) required to be contributed and allocated for a Plan Year by this section is three percent (3%) of the Top-Heavy Compensation for that Plan Year of each Non-Key Employee who is both a Participant and an Employee on the last day of the Plan Year for which the contribution is made, with adjustments as provided herein. If the contribution allocated to the Accounts of each Key Employee for a Plan Year is less than three percent (3%) of his or her Top-Heavy Compensation, then the contribution required by the preceding sentence shall be reduced for that Plan Year to the same percentage of Top-Heavy Compensation that was allocated to the Account of the Key Employee whose Account received the greatest allocation of contributions for that Plan Year, when computed as a percentage of Top-Heavy Compensation.

(c) The contribution required by this section shall be reduced for a Plan Year to the extent of any Company Contributions made and allocated under this Plan or any other contributions from the Adopting Employers made and allocated under this or any other Aggregated Plans. Elective Deferrals shall be treated as if they were Company Contributions for purposes of determining any minimum contributions required under subsection (b).

9.4 Definitions.

(a) The following terms shall have the meanings specified herein:

(1) Aggregated Plans.

(A) The Plan, any plan that is part of a "required aggregation group" and any plan that is part of a "permissive aggregation group" that the Adopting Employers treat as an Aggregated Plan.

(B) The "required aggregation group" consists of each plan of the Adopting Employers in which a Key Employee participates (in the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years) and each other plan of the Adopting Employers which enables any plan of the Adopting Employers in which a Key Employee participates to meet the requirements of section 401(a)(4) or section 410(b) of the Code. Also included in the required aggregation group shall be any terminated plan that covered a Key Employee and was maintained within the five (5) year period ending on the Determination Date.

(C) The "permissive aggregation group" consists of any plan not included in the "required aggregation group" if the Aggregated Plan described in subparagraph (A) above would continue to meet the requirements of section 401(a)(4) and 410 of the Code with such additional plan being taken into account.

(2) Determination Date. The last day of the preceding Plan Year, or, in the case of the first plan year of any plan, the last day of such plan year. The computations made on the Determination Date shall utilize information from the immediately preceding Valuation Date.

(3) Key Employee.

(A) An Employee (or former Employee) who, at any time during the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years, is:

(i) An officer of one of the Adopting Employers with annual Top-Heavy Compensation for the Plan Year greater than fifty percent (50%) of the amount in effect under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(ii) one of the ten (10) Employees owning (or considered as owning under section 318 of the Code) the largest interest in one of the Adopting Employers, who has more than one-half of one percent (.5%) interest in such Adopting Employer, and who has annual Top-Heavy Compensation for the Plan Year at least equal to the maximum dollar limitation under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(iii) a five percent (5%) or greater shareholder in one of the Adopting Employers; or

(iv) a one percent (1%) shareholder in one of the Adopting Employers with annual Top-Heavy Compensation from the Adopting Employer of more than one hundred fifty thousand dollars ($150,000).

(B) For purposes of paragraphs (3)(A)(iii) and (3)(A)(iv), the rules of section 414(b), (c) and (m) of the Code shall not apply. Beneficiaries of an Employee shall acquire the character of such Employee and inherited benefits will retain the character of the benefits of the Employee who performed services.

(4) Non-Key Employee. Any Employee who is not a Key Employee.

(5) Super Top-Heavy Plan. A Top-Heavy Plan in which the sum of the present value of the cumulative accrued benefits and accounts for Key Employees exceeds ninety percent (90%) of the comparable sum determined for all Employees. The foregoing determination shall be made in the same manner as the determination of a Top-Heavy Plan under this section.

(6) Top-Heavy Compensation. The term Top-Heavy Compensation shall have the same meaning as the term Compensation has under section 8.5(b).

(7) Top-Heavy Plan. The Plan is a Top-Heavy Plan for a Plan Year if, as of the Determination Date for that Plan Year, the sum of (i) the present value of the cumulative accrued benefits for Key Employees under all Defined Benefit Plans that are Aggregated Plans and (ii) the aggregate of the accounts of Key Employees under all Defined Contribution Plans that are Aggregated Plans exceeds sixty percent (60%) of the comparable sum determined for all Employees.

(8) Years of Top-Heavy Service. The number of Years of Service with the Adopting Employers that might be counted under section 411(a) of the Code, disregarding all service that may be disregarded under section 411(a)(4) of the Code.

(b) The definitions in this section and the provisions of this ARTICLE shall be interpreted in a manner consistent with section 416 of the Code.

9.5 Special Rules.

(a) For purposes of determining the present value of the cumulative accrued benefit for any Participant or the amount of the Account of any Participant, such present value or amount shall be increased by the aggregate distributions made with respect to such Participant under the Plan during the Plan Year that includes the Determination Date and the four (4) preceding Plan Years (if such amounts would otherwise have been omitted).

(b) (1) In the case of unrelated rollovers and transfers, (i) the plan making the distribution or transfer is to count the distribution as a distribution under section 416(g)(3) of the Code, and (ii) the plan accepting the rollover or transfer is not to consider the rollover or transfer as part of the accrued benefit if such rollover or transfer was accepted after December 31, 1983, but is to consider it as part of the accrued benefit if such rollover or transfer was accepted before January 1, 1984. For this purpose, rollovers and transfers are to be considered unrelated if they are both initiated by the Employee and made from a plan maintained by one employer to a plan maintained by another employer.

(2) In the case of related rollovers and transfers, the plan making the distribution or transfer is not to count the distribution or transfer under section 416(g)(3) of the Code, and the plan accepting the rollover or transfer counts the rollover or transfer in the present value of the accrued benefits. For this purpose, rollovers and transfers are to be considered related if they are not unrelated under subsection (b)(1).

(c) If any individual is a Non-Key Employee with respect to any plan for any Plan Year, but such individual was a Key Employee with respect to such plan for any prior Plan Year, any accrued benefit for such Employee (and the account of such Employee) shall not be taken into account.

(d) Beneficiaries of Key Employees and former Key Employees are considered to be Key Employees and Beneficiaries of Non-Key Employees and former Non-Key Employees are considered to be Non-Key Employees.

(e) The accrued benefit of an Employee who has not performed any service for the Adopting Employer maintaining the Plan at any time during the five (5) year period ending on the Determination Date is excluded from the calculation to determine top-heaviness. However, if an Employee performs no services, such Employee's total accrued benefit is included in the calculation for top-heaviness.

9.6 Adjustment of Limitations.

(a) If this section is applicable, then the contribution and benefit limitations in section 8.5 shall be reduced. Such reduction shall be made by modifying section 8.5(a)(2)(A) of the definition of Defined Benefit Fraction to instead be "(i) the product of 1.0 multiplied by ninety thousand dollars ($90,000), or" and by modifying section 8.5(a)(4)(A) of the definition of Defined Contribution Fraction to instead be "(i) the product of 1.0 multiplied by thirty thousand dollars ($30,000), or".

(b) This section shall be applicable for any Plan Year in which either:

(1) the Plan is a Super Top-Heavy Plan, or

(2) the Plan both is a Top-Heavy Plan (but not a Super Top-Heavy Plan) and provides contributions (and forfeitures) to the Account of any Non-Key Employee in an amount less than four percent (4%) of such Participant's Top-Heavy Compensation, as determined in accordance with section 9.3(b).

ARTICLE X
The Trust Fund

10.1 Trust. During the period in which this Plan remains in existence, the Company or any successor thereto shall maintain in effect a Trust with a corporation and/or individual(s) as Trustee, to hold, invest, and distribute the Trust Fund in accordance with the terms of such Trust.

10.2 Investment of Accounts. The Trustee shall invest and reinvest the Participant's accounts in investment options as defined in section 4.1 as directed by the Administrator or its delegate. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in accordance with sections 4.2 and 4.3.

10.3 Expenses. Expenses of the Plan and Trust shall be paid from the Trust.

ARTICLE XI
Administration of The Plan

11.1 General Administration. The general administration of the Plan shall be the responsibility of the Company (or any successor thereto) which shall be the Administrator and named Fiduciary for purposes of ERISA. The Company shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in this ARTICLE. All such determinations of the Company shall be conclusive and binding on all persons.

11.2 Responsibilities of the Administrator. Except as otherwise provided in ERISA, the Administrator (and any other named Fiduciaries) may allocate any duties and responsibilities under the Plan and Trust among themselves in any mutually agreed upon manner. Such allocation shall be in a written document signed by the Administrator (and any other named Fiduciaries) and shall specifically set forth this allocation of duties and responsibilities, which may include the following:

(a) Determination of all questions which may arise under the Plan with respect to questions of fact and law and eligibility for participation and administration of Accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of Accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the Offices of the Executive Vice President - Chief Financial Officer, the Senior Vice President Treasurer, the Director of Tax Affairs, the Vice President General Counsel, and the Vice President - Human Resources, respectively, for advice and counsel.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing Account balances, designation of Beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the government as required by law.

(f) Appointment of a Trustee or Trustees, Recordkeepers, and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

11.3 Liability for Acts of Other Fiduciaries. Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his or her specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his or her assumption of Fiduciary status or after his or her termination from such status.

11.4 Employment by Fiduciaries. Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

11.5 Recordkeeping. The Administrator shall keep or cause to be kept any necessary data required for determining the Account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

11.6 Claims Review Procedure.

(a) The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

(1) Step 1. Claims with respect to an Account should be filed by a claimant as soon as practicable after the claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose Account is at issue, by mailing a copy of the claim to the Benefits and Services Department, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173.

(2)Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

(3) Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in subsection (a)(1).

(4) Step 4. Within thirty (30) days following receipt of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation of the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

(b) The Administrator is the Fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined by the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

11.7 Indemnification of Directors and Employees. The Adopting Employers shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or Employee of the Employer, his or her heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his or her capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Adopting Employers may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Adopting Employers.

11.8 Immunity from Liability. Except to the extent that section 410(a) of ERISA prohibits the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed under Title I, Subtitle B, Part 4, of said Act, an officer, Employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XII
Amendment Or Termination Of Plan

12.1 Right to Amend or Terminate Plan. Each of the Adopting Employers reserves the right at any time or times, by action of its board of directors, to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a certified copy of the resolution of the board of directors, authorizing such modification, amendment or termination shall be delivered to the Trustee and to the other Adopting Employers whose Employees are covered by this Plan, provided, however, that no amendment to the Plan shall be made which shall:

(a) reduce any vested right or interest to which any Participant or Beneficiary is then entitled under this Plan or otherwise reduce the vested rights of a Participant in violation of section 411(d)(6) of the Code;

(b) vest in the Adopting Employers any interest or control over any assets of the Trust;

(c) cause any assets of the Trust to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries; or

(d) change any of the rights, duties or powers of the Trustee without its written consent.

(e) Notwithstanding the foregoing provisions of this section or any other provisions of this Plan, any modification or amendment of the Plan may be made retroactively if necessary or appropriate to conform the Plan with, or to satisfy the conditions of, ERISA, the Code, or any other law, governmental regulation or ruling. Any termination, modification or amendment of the Plan shall be subject to approval by the Board of Directors. In the alternative, subject to the conditions prescribed in subsections 12.1(a) through (e), the Plan may be amended by an officer of the Company authorized by the Board of Directors to amend the Plan, provided, however, that any such amendment does not, in the view of such officer, materially increase costs of the Plan to the Company or any Adopting Employer.

12.2 Amendment to Vesting Schedule. Any amendment that modifies the vesting provisions of ARTICLE IV shall either:

(a) provide for a rate of vesting that is at least as rapid for any Participant as the vesting schedule previously in effect; or

(b) provide that any adversely affected Participant with a Period of Service of at least three (3) years may elect, in writing, to remain under the vesting schedule in effect prior to the amendment. Such election must be made within sixty (60) days after the later of the:

(1) adoption of the amendment;

(2) effective date of the amendment; or

(3) issuance by the Company of written notice of the amendment.

12.3 Maintenance of Plan. The Company has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the Company is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time.

12.4 Termination of Plan and Trust. The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Company specifying the date as of which the Plan and Trust shall terminate; or

(b) Adjudication of the Company as bankrupt or general assignment by the Company to or for the benefit of creditors or dissolution of the Company.

12.5 Distribution on Termination.

(a) (1) If the Plan is terminated, or contributions permanently discontinued, an Adopting Employer, at its discretion, may (at that time or at any later time) direct the Trustee to distribute the amounts in a Participant's Account in accordance with the distribution provisions of the Plan. Such distribution shall, notwithstanding any prior provisions of the Plan, be made in a single lump-sum without the Participant's consent as to the timing of such distribution. If, however, an Adopting Employer (or an Affiliate) maintains another defined contribution plan (other than an employee stock ownership plan), then the preceding sentence shall not apply and the Adopting Employer, at its discretion, may direct such distributions to be made as a direct transfer to such other plan without the Participant's consent, if the Participant does not consent to an immediate distribution.

(2) If an Adopting Employer does not direct distribution under paragraph (1), each Participant's Account shall be maintained until distributed in accordance with the provisions of the Plan (determined without regard to this section) as though the Plan had not been terminated or contributions discontinued.

(b) If the Administrator determines that it is administratively impracticable to make distributions under this section in cash or that it would be in the Participant's best interest to make some or all of the distributions with in-kind property, it shall offer all Participants and Beneficiaries entitled to a distribution under this section a reasonable opportunity to elect to receive a distribution of the in-kind property being distributed by the Trust. Those Participants and Beneficiaries so electing shall receive a proportionate share of such in-kind property in the form (outright, in trust or in partnership) that the Administrator determines will provide the most feasible method of distribution.

(c) (1) Amounts attributable to elective contributions shall only be distributable by reason of this section if one of the following is applicable:

(A) the Plan is terminated without the establishment of a successor plan;

(B) an Adopting Employer has a sale or other disposition to an unrelated corporation of substantially all of the assets used by the Adopting Employer in a trade or business of the Adopting Employer with respect to an Employee who continues employment with the corporation acquiring such assets; or

(C) an Adopting Employer has a sale or other disposition to an unrelated entity of the Adopting Employer's interest in a subsidiary with respect to an Employee who continues employment with such subsidiary.

(2) For purposes of this section, the term "elective contributions" means employer contributions made to the Plan that were subject to a cash or deferred election under a cash or deferred arrangement.

(3) Elective contributions are distributable under subsections (c)(1)(B) and (C) above only if the Adopting Employers continue to maintain the Plan after the disposition.

ARTICLE XIII
Additional Provisions

13.1 Effect of Merger, Consolidation or Transfer. In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

13.2 Necessity of Initial Qualification. This Plan is established with the intent that it shall qualify under sections 401(a) and 401(k) of the Code as those sections exist at the time the Plan is established. If the Internal Revenue Service determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination, all of the assets of the Trust Fund held for the benefit of Participants and their Beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code. Any nonvested Matching Contributions and earnings attributable thereto shall be returned to the Adopting Employers.

13.3 No Assignment.

(a) Except as provided herein, the right of any Participant or Beneficiary to any benefit or to any payment hereunder shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind.

(b) Subsection (a) shall not apply to any payment or transfer permitted by the Internal Revenue Service pursuant to regulations issued under section 401(a)(13) of the Code.

(c) Subsection (a) shall not apply to any payment or transfer pursuant to a Qualified Domestic Relations Order.

(d) Subsection (a) shall not apply to any payment or transfer to the Trust in accordance with section 401(a)(13)(C) of the Code to satisfy the Participant's liabilities to the Plan or Trust in any one or more of the following circumstances:

(1) the Participant is convicted of a crime involving the Plan;

(2) a civil judgment (or consent order or decree) in an action is brought against the Participant in connection with an ERISA fiduciary violation; or

(3) the Participant enters into a settlement agreement with the Department of Labor or the Pension Benefit Guaranty Corporation over an ERISA fiduciary violation.

13.4 Limitation of Rights of Employees. This Plan is strictly a voluntary undertaking on the part of the Adopting Employers and shall not be deemed to constitute a contract between any of the Adopting Employers and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Adopting Employers or shall interfere with the right of any of the Adopting Employers to discharge or otherwise terminate the employment of any Employee of an Adopting Employer at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

13.5 Construction. The provisions of this Plan shall be interpreted and construed in accordance with the requirements of the Code and ERISA. Any amendment or restatement of the Plan or Trust that would otherwise violate the requirements of section 411(d)(6) of the Code or otherwise cause the Plan or Trust to cease to be qualified under section 401(a) of the Code shall be deemed to be invalid. Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine and vice versa, as appropriate. References to "section" or "ARTICLE" shall be read as references to appropriate provisions of this Plan, unless otherwise indicated.

13.6 Company Determinations. Any determinations, actions or decisions of the Company (including but not limited to, Plan amendments and Plan termination) shall be made by its Board of Directors in accordance with its established procedures or by such other individuals, groups or organizations that have been properly delegated by the Board of Directors to make such determination or decision.

13.7 Governing Law. This Plan shall be governed by, construed and administered in accordance with ERISA and any other applicable federal law; provided, however, that to the extent not preempted by federal law, this Plan shall be governed by, construed and administered under the laws of the Commonwealth of Massachusetts, other than its laws respecting choice of law.

ARTICLE XIV
Definitions

The following terms have the meaning specified below unless the context indicates otherwise:

14.1 Account. The entire interest of a Participant in the Trust Fund. A Participant's Account shall consist of an Elective Deferral Account, an Employee After-Tax Contribution Account, a Matching Contribution Account and, where applicable, a Rollover Contribution Account and a Qualified Nonelective Contribution Account.

14.2 Administrator. The person, persons, corporation, committee, group or organization designated to be the Administrator of the Plan and to perform the duties of the Administrator. Until and unless otherwise designated, the Administrator shall be the Company.

14.3 Adopting Employers. Any corporation that elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such corporation is approved by the Board of Directors, or an officer to whom authority to approve participation by a corporation is delegated by the Board of Directors, but shall not include any division, operation or similar cohesive group of the adopting corporation excluded by the Board of Directors. The Adopting Employers shall be listed in Exhibit A attached to this Plan.

14.4 Affiliate. A trade or business that, together with and Adopting Employer, is a member of (i) a controlled group of corporations within the meaning of section 414(b) of the Code; (ii) a group of trades or businesses (whether or not incorporated) under common control as defined in section 414(c) of the Code, or (iii) an affiliated service group as defined in section 414(m) of the Code, or which is an entity otherwise required to be aggregated with the Adopting Employer pursuant to section 414(o) of the Code. For purposes of ARTICLE VIII, the determination of controlled groups of corporations and trades or businesses under common control shall be made after taking into account the modification required under section 415(h) of the Code. All such entities, whether or not incorporated, shall be treated as a single employer to the extent required by the Code.

14.5 Authorized Leave of Absence. An absence approved by the Adopting Employers on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of an Employee or a relative, the death of a relative, education of the Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Adopting Employers within the time period specified by the Adopting Employers.

14.6 Beneficiary. The person or persons (including a trust or trusts) who are entitled to receive benefits from a deceased Participant's Account after such Participant's death (whether or not such person or persons are expressly so designated by the Participant). If a married Participant designates a Beneficiary other than his or her spouse, said designation shall not take effect unless the spouse consents in writing to such designation and said spousal consent acknowledges the effect of said designation and is witnessed by a representative of the Plan or a notary public. Said spousal

consent shall be effective only with respect to the spouse granting such consent, and shall not be required if the Participant can establish that there is no spouse, that the spouse cannot be located, or that other conditions exist as may be prescribed by regulations issued by the Secretary of the Treasury. If there is no Beneficiary designated by the Participant or surviving at the death of the Participant, payment of his or her Account shall be made in accordance with section 6.7. Subject to the foregoing, a Participant may designate a new Beneficiary at any time by filing with the Administrator a written request for such change on a form prescribed by the Administrator. Such change shall become effective only upon receipt of the form by the Administrator, but upon such receipt of the change shall relate back to and take effect as of the date the Participant signed such request, whether or not the Participant is living at the time of such receipt, provided, however, that neither the Trustee nor the Administrator shall be liable by reason of any payment of the Participant's Account made before receipt of such form. If a Beneficiary entitled to payment was the spouse or former spouse of the deceased Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion of, such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.12.

14.7 Board of Directors. The Board of Directors of Raytheon Company.

14.8 Business Day. Days on which the Recordkeeper is able to make transfers.

14.9 Code. The Internal Revenue Code of 1986, as amended.

14.10 Common Stock. Raytheon Company Class B common stock.

14.11 Company. Raytheon Company.

14.12 Compensation.

(a) The aggregate amount paid by the Employer to a Participant as regular base salary, including amounts authorized by the Participant to be deferred from his Compensation and contributed by the Employer under section 3.3, as well as amounts paid as commissions, military pay differential, and under the Hughes Annual Incentive Plan, the Hughes Salary Adjustment Plan, the Hughes Supplemental Compensation Plan, awards under the Hughes Subsidiary Incentive Plan not in excess of the target award (or any successor plans of the foregoing), but without inclusion of any overtime compensation, shift differentials, foreign service premiums (including mobility allowances), per diem, royalties, payments in lieu of vacation, benefits from the Hughes Transition Pay Plan, the Hughes Supplemental Employee Retirement Plan, the Hughes Long-Term Performance Plan, and amounts deferred by a Participant to the flexible spending account in an Employer cafeteria plan under section 125 of the Code, or other payments of like nature, subject to the following:

(b) The Compensation of each Employee for any year shall be deemed to not exceed one hundred fifty thousand dollars ($150,000); provided, however, that this limit shall be adjusted in the same manner and at the same time as under section 415(d) of the Code, in accordance with regulations under section 401(a)(17) of the Code. Compensation for Highly-Compensated Employees shall be determined in accordance with the provisions of section 14.28.

(c) Unless otherwise indicated herein, Compensation shall be determined only on the basis of amounts paid during the Plan Year, including any Plan Year with a duration of fewer than twelve (12) months.

(d) The Compensation of a person who becomes a Participant during the Plan Year shall only include amounts paid after the date on which such person was admitted as a Participant.

14.13 Current Market Value. The closing price of the Common Stock on the New York Stock Exchange on the Business Day immediately preceding the Business Day on which the Common Stock is allocated to the Participants Accounts in accordance with the terms of the Plan.

14.14 Disability. Any medically determinable physical disorder that renders a Participant incapable of engaging in any occupation for compensation or profit. The determination of Disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish Disability or the continuation thereof.

14.15 Effective Date. December 18, 1997.

14.16 Elective Deferral. A voluntary reduction of a Participant's Compensation in accordance with section 3.3 hereof that qualifies for treatment under section 402(e)(3) of the Code. A Participant's election to make Elective Deferrals may be made only with respect to an amount that the Participant could otherwise elect to receive in cash and that is not currently available to the Participant.

14.17 Elective Deferral Account. That portion of a Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.18 Eligible Employee. A person who is an hourly Employee of an Adopting Employer who:

(a) is a United States Citizen or resident;

(b) is not employed in a position or classification within a bargaining unit which is covered by a collective bargaining agreement with respect to which retirement benefits were the subject of good faith bargaining (unless such agreement provides for coverage hereunder of employees of such unit);

(c) is not assigned on the books and records of the Employer to any division, operation or similar cohesive group of an Adopting Employer that is excluded from participation in the Plan by the Board of Directors;

(d) is employed in a position or classification within a Tucson bargaining unit covered by a collective bargaining agreement which provides for coverage hereunder; and

(e) is not a Leased Employee or any other person who performs services for an Adopting Employer other than as an Employee.

14.19 Employee. Except to the extent otherwise provided herein, any person employed by the Employer who is expressly so designated as an Employee on the books and records of the Employer and who is treated as such by the Employer for federal employment tax purposes. Any person who, after the close of a Plan Year, is retroactively treated by the Employer or any other party as an Employee for such prior Plan Year shall not, for purposes of the Plan, be considered an Employee for such prior Plan Year unless expressly so treated as such by the Employer.

14.20 Employee After-Tax Contributions. Voluntary contributions made by Participants on an after-tax basis in accordance with section 3.4 of the Plan.

14.21 Employee After-Tax Contribution Account. That portion of a Participant's Account which is attributable to Employee After-Tax Contributions, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.22 Employer. An Adopting Employer and any Affiliate thereof (whether or not such Affiliate has elected to participate in the Plan).

14.23 Employment Commencement Date. The date on which an individual first performs an Hour of Service with the Employer.

14.24 ERISA. The Employee Retirement Income Security Act of 1974, as amended.

14.25 Fiduciary. Any person who exercises any discretionary authority or discretionary control over the management of the Plan, or exercises any authority or control respecting management or disposition of Plan assets; who renders investment advice for a fee or other compensation, direct or indirect, as to assets held under the Plan, or has any authority or discretionary responsibility in the administration of the Plan. This definition shall be interpreted in accordance with section 3(21) of ERISA.

14.26 Highly Compensated Employee

(a) Any Employee who:

(1) is a five percent (5%) owner at any time during the Plan Year or the preceding Plan Year; or

(2) for the preceding Plan Year:

(A) received Compensation in excess of the amount specified in section 414(q)(1)(B)(i) of the Code; and

(B) if the Adopting Employers so elect, in accordance with section 414(q)(1)(B)(ii) of the Code, was a member of the Top-Paid Group for such preceding Plan Year.

(b) A former Employee will be treated as a Highly Compensated Employee if the former Employee was a Highly Compensated Employee at the time of his or her separation from service or the former Employee was a Highly Compensated Employee at any time after attaining age fifty-five (55).

(c) The term "Top-Paid Group" for any year includes Employees in the group of Employees specified in section 414(q)(5) of the Code, which consists of the top twenty percent (20%) of Employees when ranked on the basis of Compensation paid during such year.

(d) In determining the number of Employees in the Top-Paid Group taken into account under subsection (c) of this section, nonresident aliens with no earned income from the Adopting Employers that constitutes income from sources within the United States shall not be treated as Employees and (unless the Adopting Employers elect otherwise) the following Employees shall be excluded:

(1) Employees with fewer than six (6) months of service;

(2) Employees who normally work fewer than seventeen and one-half (17) hours per week;

(3) Employees who normally work during not more than six (6) months during the year;

(4) Employees who have not attained age twenty-one (21); and

(5) (except to the extent permitted by regulation) Employees who are included in a unit of Employees covered by a collective bargaining agreement with one of the Adopting Employers.

(e) The dollar amounts incorporated under subsection (a)(2)(A) shall be adjusted as provided in section 414(q)(1) of the Code.

(f) For purposes of this section, the term "Compensation" means compensation as defined under section 414(q)(4) of the Code.

(g) This section shall be interpreted in a manner consistent with section 414(q) of the Code and the regulations thereunder and shall be interpreted to permit any elections permitted by such regulations to be made.

14.27 Hour of Service.

(a) Any hour for which any person is directly or indirectly paid (or entitled to payment) by the Employer for the performance of duties as an Employee, as determined from the appropriate records of the Employer.

(b) In computing Hours of Service, a person shall also be credited with Hours of Service based on the person's previous customary service with the Employer (not exceeding either eight (8) hours per day or forty (40) hours per week), for the following periods:

(1) periods (limited to a maximum of five hundred one (501) hours for any single, continuous period) for which the person is directly or indirectly paid for reasons other than the performance of duties, such as vacation, holiday, sickness, disability, layoff, jury duty or military duty;

(2) periods for which any federal law requires that credit for service be given; and

(3) periods for which back pay (irrespective of mitigation of damages) is either awarded or agreed to by the Employer.

(c) Hours of Service shall also include each hour for which an Employee is entitled to credit under subsection (a) as a result of employment with:

(1) a predecessor company substantially all the assets of which have been acquired by the Company, provided that where only a portion of the operations of a company has been acquired, only service with said acquired portion prior to the acquisition will be included and that the Employee was employed by said predecessor company at the time of acquisition; or

(2) a division, operation or similar cohesive group of the Employer excluded from participation in the Plan.

(d) The provisions of subsection (b) shall be further limited to prevent duplication by only permitting a person to receive credit for one (1) Hour of Service for any given hour.

(e) Hours of Service shall be computed and credited in accordance with the Department of Labor regulations under section 2530.200b.

14.28 Layoff. An involuntary interruption of service due to reduction of work force with or without the possibility of recall to employment when conditions warrant.

14.29 Leased Employee. Any person (other than an Employee) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or any related person as provided in section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one (1) year and such services are performed under primary direction or control of the Employer. Leased Employees are not eligible to participate in the Plan.

14.30 Matching Contribution. Contribution made to the Trust in accordance with section 3.1 hereof.

14.31 Matching Contribution Account. That portion of Participant's Account which is attributable to Matching Contributions by the Adopting Employers, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.32 Net Annual Profits. The current earnings of the Adopting Employers for the Plan Year determined in accordance with generally accepted accounting principles before federal and local income taxes and before contributions to this Plan or any other qualified plan.

14.33 Net Profits. The accumulated earnings of the Adopting Employers at the end of the Plan Year determined in accordance with generally accepted accounting principles. For the purposes hereof "accumulated earnings at the end of the Plan Year" shall include Net Annual Profits for such Plan Year calculated before any deduction is taken for depreciation, if any.

14.34 Nonforfeitable. An unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

14.35 Non-Highly Compensated Work Force. The aggregate number of individuals (other than Highly Compensated Employees) who are:

(a) Employees of the Employer (other than Leased Employees) who have performed services for the Employer on a substantially full-time basis for a period of at least one (1) year; and

(b) Leased Employees.

14.36 Normal Retirement Age. The Participant's sixty-fifth (65th) birthday.

14.37 Participant. An individual who is enrolled in the Plan pursuant to ARTICLE II and has not received a distribution of all of the funds credited to his or her Account (or had such funds fully forfeited). In the case of an Eligible Employee who makes a Rollover Contribution to the Plan under section 3.7(a)(6) prior to enrollment under ARTICLE II, such Eligible Employee shall, until he or she enrolls under ARTICLE II, be considered a Participant for the limited purposes of maintaining and receiving his or her Rollover Contribution Account under the terms of the Plan.

14.38 Pay Period. A scheduled period for payment of wages or salaries.

14.39 Period of Participation. That portion of a Period of Service during which the Eligible Employee was a Participant, and had an Elective Deferral Account in the Plan. For the purpose of determining a Period of Participation, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes Tucson Bargaining Employees' Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one of its affiliates (other than a joint venture that has adopted this Plan) after the Effective Date and before December 1, 1998 and who become Participants as of the Effective Date or the date of transfer, as applicable, shall be credited with their participation in such plan.

14.40 Period of Service. The period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date. For the purpose of determining a Period of Service, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes Tucson Bargaining Employees' Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one of its affiliates (other than a Joint venture that has adopted this Plan) after the Effective Date and before December 1, 1998, and who become Participants as of the Effective Date or the date of transfer, as applicable, shall be credited with their years of service credited under such plan.

14.41 Period of Severance. The period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

14.42 Plan. The Raytheon Tucson Bargaining Employees Savings and Investment Plan (10013) as amended from time to time.

14.43 Plan Year. The first Plan Year shall begin on the Effective Date and end December 31, 1997. Thereafter, the Plan Year shall be the annual twelve-(12) month period beginning on January 1 of each year and ending on December 31 of each year.

14.44 Qualified Military Service. Any period of duty on a voluntary or involuntary basis in the United States Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty for training or full-time National Guard duty, the commissioned corps of the Public Health Service and any other category of persons designated by the President of the United States in time of war or emergency. Such periods of duty shall include active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty and absence from employment for an examination to determine fitness for such duty.

14.45 Qualified Nonelective Contributions. Any contribution by the Adopting Employers to the Trust pursuant to section 3.2. Qualified Nonelective Contributions are one hundred percent (100%) vested when made and are distributable as provided herein, but in no event before the earlier of:

(a) the Participant's Severance from Service, death or Disability;

(b) the Participant's attainment of age fifty-nine and one-half (59-1/2);

(c) the termination of the Plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan);

(d) the disposition of substantially all of the assets used by the Adopting Employers in a trade or business of the Adopting Employers but only with respect to an Employee who continues employment with the entity acquiring such assets; or

(e) the disposition of the Adopting Employers' interest in a subsidiary, but only with respect to an Employee who continues employment with such subsidiary.

14.46 Qualified Nonelective Contribution Account. That portion of a Participants Account which is attributable to Qualified Nonelective Contributions received pursuant to section 3.2, adjusted for withdrawals and distributions, and the earnings and losses attributable thereto.

14.47 Recordkeeper. The organization designated by the Administrator to be the recordkeeper for the Plan. Until and unless otherwise designated, the Recordkeeper shall be Fidelity Investments.

14.48 Reemployment Commencement Date. The first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under section 5.3 in determining whether a Participant has a Nonforfeitable right to his or her Matching Contribution Account.

14.49 Retirement. A Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

14.50 Rollover Contributions. A transfer that qualifies under either section 402(c) or 403(a)(4) of the Code.

14.51 Rollover Contribution Account. That portion of a Participant's Account which is attributable to Rollover Contributions received pursuant to section 3.7, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.52 Severance from Service. The termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Qualified Military Service or Disability.

14.53 Severance from Service Date. The earliest of:

(a) the date on which an Employee resigns, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c), (d), (e) and (f) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than resignation, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a Layoff as the result of a permanent plant closing, the Administrator may designate the date of Layoff or other appropriate date prior to the first anniversary of the first date of absence as the Severance from Service Date; or

(c) in the case of a Qualified Military Service leave of absence from which the Employee does not return prior to expiration of recall rights, Severance from Service Date means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, Severance from Service Date means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or resigns (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date, for the sole purpose of determining the length of a Period of Service, shall mean the first anniversary of the resignation or discharge; or

(f) in the case of an Employee who is absent from service beyond the first anniversary of the first day of absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Severance from Service Date shall be the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence is neither a Period of Service nor a Period of Severance.

14.54 Surviving Spouse. A lawful spouse surviving the Participant as of the date of the Participant's death.

14.55 Trust. The Raytheon Company Master Trust for Defined Contribution Plans and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

14.56 Trustee. The Trustee and any successor trustees under the Trust.

14.57 Trust Fund. The cash, securities, and other property held by the Trustee for the purposes of the Plan.

14.58 Valuation Date. The last day of each Plan Year. The Administrator may, in is sole discretion, establish additional Valuation Dates, up to and including daily valuations.

EXHIBIT A

ADOPTING EMPLOYERS PARTICIPATING IN RAYTHEON
TUCSON BARGAINING SAVINGS AND INVESTMENT PLAN (10013)
As of December 18, 1997

(Unless Indicated Otherwise)

Raytheon Company d/b/a Raytheon Systems Company **
H E Microwave LLC
Raytheon Missile Systems Company

** But only with respect to Employees who either (1) were covered as of December 17, 1997, by one or more defined contribution plans sponsored by Hughes Aircraft Company or an affiliate and have been Employees since December 18, 1997; or (2) have been hired by Raytheon Company on or after December 18, 1997, into a position in a business operated by Hughes Aircraft Company or an affiliate prior to that date.

EXHIBIT 4.12

RAYTHEON SAVINGS AND INVESTMENT PLAN (10014)

Effective December 18, 1997

ARTICLE I
Establishment of the Plan

1.1 Establishment of the Plan. The Raytheon Savings and Investment Plan (10014) (the "Plan"), which is effective December 18, 1997, provides Participants with a tax-effective means of allocating a portion of their salary to be invested in one or more investment opportunities specified in the Plan and set aside for the short-term and long-term needs of the Participants. The Plan also provides retirement benefits for Participants or their Beneficiaries in the event a Participant becomes disabled or dies before retirement. It is intended that the Plan will comply with all of the requirements for a qualified profit sharing plan under sections 401(a) and 401(k) of the Code and will be amended from time to time to maintain compliance with these requirements. The terms used in the Plan have the meanings specified in ARTICLE XIV unless the context indicates otherwise. The Plan is intended to constitute a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations, ss. 2550.404(c)-1. Participants in the Plan are responsible for selecting their own investment opportunities from the options available under the Plan and the Plan Fiduciaries are relieved of any liability for any losses which are a direct and necessary result of investment instructions given by a Participant or Beneficiary.

1.2 Trust. The Trust shall be the sole source of benefits under the Plan and the Adopting Employers or any Affiliate shall not have any liability for the adequacy of the benefits provided under the Plan.

1.3 Effective Date. The Plan shall be effective as of December 18, 1997, or such other dates as may be specifically provided herein or as otherwise required by law for the Plan to satisfy the requirements of section 401(a) of the Code.

1.4 Adoption of Plan. With the prior approval of the Board of Directors or an officer of the Company authorized by the Board of Directors to give such approval, the Plan and Trust may be adopted by any Corporation (hereinafter referred to as an Adopting Employer). Such adoption shall be made by the Adopting Employer filing with the Administrator and Trustee a certified copy of a board of directors (or equivalent) resolution adopting the Plan and Trust without modification. The Administrator may require the Adopting Employer to take such further actions as it deems appropriate to the proper adoption and operation of the Plan and Trust. In the event of the adoption of the Plan and Trust by an Adopting Employer, the Plan and Trust shall be interpreted in a manner consistent with such adoption.

1.5 Withdrawal of Adopting Employer.

(a) An Adopting Employer's adoption of this Plan may be terminated, voluntarily or involuntarily, at any time, as provided in this section.

(b) An Adopting Employer shall withdraw from the Plan and Trust if the Plan and Trust, with respect to that Adopting Employer, fail to qualify under sections 401(a) and 501(a) of the Code (or, in the opinion of the Administrator, they may fail to so qualify) and the continued sponsorship of that Adopting Employer may jeopardize the status with respect to the Company or the remaining Adopting Employers, of the Plan and Trust under sections 401(a) and 501(a) of the Code. The Adopting Employer shall receive at least thirty (30) days prior written notice of a withdrawal under this subsection, unless a shorter period is agreed to.

(c) An Adopting Employer may voluntarily withdraw from the Plan and Trust for any reason. Such withdrawal requires at least thirty (30) days written notice to the Administrator and the Trustee, unless a shorter period is agreed to.

(d) Upon withdrawal, the Trustee shall segregate the assets attributable to Employees of the withdrawn Adopting Employer, the amount thereof to be determined by the Administrator and the Trustee. The segregated assets shall be held, paid to another trust, distributed or otherwise disposed of as is appropriate under the circumstances; provided, however, that any transfer shall be for the exclusive benefit of Participants and their Beneficiaries. A withdrawal of an Adopting Employer from the Plan is not necessarily a termination under ARTICLE XII. If the withdrawal is a termination, then the provisions of ARTICLE XII shall also be applicable.

ARTICLE II
Eligibility

2.1 Eligibility Requirements. Each Employee who is an Eligible Employee on the Effective Date shall begin participation in this Plan on the Effective Date. Each Eligible Employee who transfers to an Adopting Employer from General Motors Corporation or one of its affiliates after the Effective Date and before December 1, 1998, and who immediately prior to such transfer was a participant in the Hughes Thrift and Savings Plan, shall begin participation in this Plan on the date of such transfer. Each other Eligible Employee and any person who subsequently becomes an Eligible Employee may join the Plan as of the first Pay Period coincident with or next following completion of a Period of Service of three (3) consecutive months commencing on his or her Employment Commencement Date.

2.2 Procedure for Joining the Plan. Each Eligible Employee who meets the requirements of section 2.1 may join the Plan by communicating with the Recordkeeper in accordance with instructions in an enrollment kit which will be made available to each Eligible Employee. An enrollment in the Plan shall not be deemed to have been completed until the Eligible Employee has designated: a percentage by which his or her Compensation shall be reduced as an Elective Deferral in accordance with the requirements of section 3.3, subject to the nondiscrimination test described in section 3.10; election of investment funds as described in ARTICLE IV; one or more Beneficiaries; and such other information as specified by the Recordkeeper. Enrollment will be effective as of the first administratively feasible Pay Period following completion of enrollment. The Administrator, in its discretion, may from time to time make exceptions and adjustments in the foregoing procedure on a uniform and nondiscriminatory basis.

2.3 Transfer Between Adopting Employers to Position Covered by Plan. A Participant who is transferred to a position with another Adopting Employer in which the Participant remains an Eligible Employee will continue as an active Participant of the Plan.

2.4 Transfer to Position Not Covered by Plan. If a Participant is transferred to a position with an Employer in which the Participant is no longer an Eligible Employee, the Participant will remain a Participant of the Plan with respect to Elective Deferrals previously made but shall no longer be eligible to have Elective Deferrals made to the Plan on his or her behalf until he or she again becomes an Eligible Employee. In the event the Participant is subsequently transferred to a position in which he or she again becomes an Eligible Employee, the Participant may renew Elective Deferrals by communicating with the Recordkeeper and providing all of the information requested by the Recordkeeper. The renewal of Elective Deferrals will be effective as of the first administratively feasible Pay Period following receipt by the Recordkeeper of the requested information.

2.5 Transfer to Position Covered by Plan. If an Employee who is not eligible to participate in the Plan by reason of his or her position with an Employer is transferred to a position that is eligible to participate in the Plan, all service performed as an Employee in such noneligible position shall be treated as a Period of Service for purposes of this ARTICLE.

2.6 Treatment of Qualified Military Service.

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with section 414(u) of the Code.

ARTICLE III
Contributions

3.1 Matching Contributions.

(a) (1) Each Adopting Employer shall, in its discretion, make Matching Contributions with regard to Elective Deferrals made by its Employees during a Plan Year. Each Adopting Employer shall, in its discretion, determine both the percentage rate of the Elective Deferrals that will be matched and any limits on the maximum Matching Contributions that will be made for any Participant. Matching Contributions will be made in such form as is specified in subsection (b).

(2) Unless otherwise specified by an Adopting Employer, each Adopting Employer shall make Matching Contributions equal in value to fifty percent (50%) of the total Elective Deferrals made during that Plan Year by each Participant who is an Employee of that Adopting Employer, but the total of such Matching Contributions for any Participant shall not exceed three percent (3%) of a Participant's Compensation from that Adopting Employer for that Plan Year.

(b) The Matching Contribution under subsection (a) shall be made in either Common Stock or cash that is invested in Common Stock. The number of shares of Common Stock contributed by the Adopting Employer or acquired with Matching Contributions under subsection (a) shall be allocated to the Participant's Account by the Trustee and such allocation shall equal the number of shares of Common Stock which the Trustee could have purchased for the Participant at the Current Market Value. Such Matching Contribution shall remain invested in Common Stock until the end of two (2) full Plan Years following the Plan Year for which such contributions or deferrals are made.

3.2 Qualified Nonelective Contributions. Each Plan Year the Adopting Employers may contribute to the Trust such amounts as determined by the Board of Directors in its sole discretion. Any amounts contributed under this subsection are to be designated by the Adopting Employers as Qualified Nonelective Contributions.

3.3 Elective Deferrals.

(a) A Participant may authorize the Adopting Employer to reduce his or her Compensation on a pre-tax basis and to correspondingly contribute to the Plan an amount equal to any whole percentage of Compensation that is at least one percent (1%) and does not exceed ten percent (10%) of his or her Compensation for that Plan Year.

(b) A Participant shall not be permitted to defer his or her Compensation under subsection (a) during any calendar year in excess of nine thousand five hundred dollars ($9,500) (or such amount as may be permitted in accordance with regulations issued under section 415(d)(1) of the Code).

3.4 No Employee After-Tax Contributions Permitted. No Employee After-Tax Contributions are permitted under the Plan.

3.5 Change in Elective Deferrals. Except as provided in section 3.10, any Participant may change his or her Elective Deferral percentage to increase or decrease said percentage by notifying the Recordkeeper, such change to take effect as of the next administratively feasible Pay Period.

3.6 Forfeitures.

(a) In the event that a Participant incurs a Severance from Service before attaining a Nonforfeitable right to his or her Matching Contributions, the Matching Contribution Account will be forfeited as of the first day of the month immediately following the earliest of: (i) the date on which the Participant incurs a Period of Severance of five (5) consecutive years; (ii) death; or (iii) the date on which the Participant's Elective Deferral Account is distributed in accordance with ARTICLE VI. Forfeitures of Matching Contributions will be used to reduce future contributions of the Adopting Employers to the Plan.

(b) If, in connection with his or her Severance from Service, a Participant received a distribution of his or her Elective Deferral Account when he or she did not have a Nonforfeitable right to his or her Matching Contribution Account, the Matching Contributions that were forfeited, unadjusted by any subsequent gains or losses, shall be restored if he or she again becomes an Employee before incurring a Period of Severance of five (5) consecutive years, performs an Hour of Service, and repays the full value of his or her prior distributions, unadjusted for subsequent gains and losses, before the first to occur of (i) the end of the five- (5) year period beginning with the date he or she again becomes an Employee or (ii) the date on which he or she incurs a Period of Severance of five (5) consecutive years.

3.7 Rollover Contributions and Transfers.

(a) Participants may transfer into the Plan qualifying rollover amounts (as defined in section 402 of the Code) received from other qualified plans (provided that no federal income tax has been required to have been paid previously on such amounts); or rollover contributions from an individual retirement account described in section 408(d)(3)(A)(ii) of the Code (referred to herein as a "conduit IRA"), subject to the following conditions:

(1) the transferred funds are received by the Trustee no later than sixty (60) days from receipt by the Employee of a distribution from another qualified plan or, in the event that the funds are transferred from a conduit IRA, no later than sixty (60) days from the date that the Participant receives such funds from the individual retirement account;

(2) the amount of such Rollover Contributions shall not exceed the limitations set forth in section 402 of the Code;

(3) the Rollover Contributions shall be taken into account by the Administrator in determining the Participant's eligibility for a loan pursuant to ARTICLE VII;

(4) the Rollover Contributions may be distributed at the request of the Participant, subject to the same administrative procedures a apply to other distributions;

(5) the Rollover Contributions transferred pursuant to this section 3.7(a) shall be credited to the Participant's Rollover Contribution Account and invested upon receipt by the Trustee;

(6) a Rollover Contribution will not be accepted unless (A) the Employee on whose behalf the Rollover Contribution will be made is either a Participant or an Eligible Employee who has notified the Administrator that he or she intends to become a Participant on the first date on which he or she is eligible therefor, and (B) all required information, including selection of specific investment accounts, is provided to the Recordkeeper - when the Rollover Contribution has been deposited, any further change in investment allocation of future deferrals or transfer of account balances between investment funds will be effected through the procedures set forth in sections 4.2 and 4.3; and

(7) under no circumstances shall the Administrator accept as a Rollover Contribution amounts which have previously been subject to federal income tax.

(b) (1) The Plan shall accept a transfer of assets, including elective transfers in accordance with Treas. Regs. section 1.411(d)-4 Q&A-3(b), directly from another plan qualified under section 401(a) of the Code only if the Administrator, in its sole discretion, agrees to accept such a transfer. In determining whether to accept such a transfer, the Administrator shall consider the administrative inconvenience engendered by such a transfer and any risks to the continued qualification of the Plan under section 401(a) of the Code. Acceptance of any such transfer shall not preclude the Administrator from refusing any such subsequent transfers.

(2) Any transfer of assets accepted under this subsection shall be separately accounted for at all times and shall remain subject to the provisions of the transferor plan (as it existed at the time of such transfer) to the extent required by section 411(d)(6) of the Code (including, but not limited to, any rights to qualified joint and survivor annuities and qualified preretirement survivor annuities) as if such provisions were part of the Plan. In all other respects, however, such transferred assets will be subject to the provisions of the Plan. The Administrator may, but is not required to, describe in an Exhibit to this Plan the special provisions that must be preserved under section 411(d)(6) of the Code, if any, following the transfer of assets from another plan in accordance with this subsection.

(3) Assets accepted under this section shall be fully vested and nonforfeitable.

(4) Eligible Employees who were active participants in the Hughes Thrift and Savings Plan immediately prior to the Effective Date may elect to transfer their entire vested account balances in such plan to the Plan in accordance with this section 3.7(b).

3.8 Refund of Contributions to the Adopting Employers. Notwithstanding the provisions of ARTICLE XII, if, or to the extent that, any Adopting Employers' deductions for contributions made to the Plan are disallowed, such Adopting Employer will have the right to obtain the return of any such contributions for a period of one (1) year from the date of disallowance. For this purpose, all contributions are made subject to the condition that they are deductible under the Code for the taxable year of the Adopting Employers for which the contributions are made. Furthermore, any contribution made on the basis of a mistake in fact may be returned to the Adopting Employers within one (1) year from the date such contribution was made.

3.9 Payment. The Adopting Employers shall pay to the Trustee in U.S. currency, or by other property acceptable to the Trustee, all contributions for each Plan Year within the time prescribed by law, including extensions granted by the Internal Revenue Service for filing the federal income tax return of the Company for its taxable year in which such Plan Year ends. Unless designated by the Adopting Employers as nondeductible, all contributions made shall be deemed to be conditioned on their current deductibility under section 404 of the Code.

3.10 Limits for Highly Compensated.

(a) Elective Deferrals, Matching Contributions and Qualified Nonelective Contributions allocable to the Accounts of Highly Compensated Employees shall not in any Plan Year exceed the limits specified in this section. The Administrator may make the adjustments authorized in this section to ensure that the limits of subsection (b) (or any other applicable limits) are not exceeded, regardless of whether such adjustments affect some Participants more than others. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) (1) The Actual Deferral Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A) one hundred twenty-five percent (125%) of the Actual Deferral Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Deferral Percentage for all other Eligible Participants or the Actual Deferral Percentage for the other Eligible Participants plus two (2) percentage points.

(2) The Actual Contribution Percentage of the Highly Compensated Employees shall not exceed, in any Plan Year, the greater of:

(A) one hundred twenty five percent (125%) of the Actual Contribution Percentage for all other Eligible Participants; or

(B) the lesser of two hundred percent (200%) of the Actual Contribution Percentage for all other Eligible Participants or the Actual Contribution Percentage for the other Eligible Participants plus two (2) percentage points.

(3) The sum of the Actual Deferral Percentage and the Actual Contribution Percentage for the Highly Compensated Employees shall not exceed, in any Plan Year, the sum of:

(A) one hundred twenty-five percent (125%) of the greater of:

(i) the Actual Deferral Percentage of the other Eligible Participants; or

(ii) the Actual Contribution Percentage of the other Eligible Participants; and

(B) two plus the lesser of:

(i) the amount in paragraph (3)(A)(i); or

(ii) the amount in paragraph (3)(A)(ii); provided that the amount in this paragraph (3)(B) shall not exceed two hundred percent (200%) of the lesser of the amount in paragraph (3)(A)(i) or the amount in paragraph (3)(A)(ii).

(4) The limitations under section 3.10(b)(3) shall be modified to reflect any higher limitations provided by the Internal Revenue Service under regulations, notices or other official statements.

(c) The following terms shall have the meanings specified:

(1) Actual Contribution Percentage. The average of the ratios for a designated group of Employees (calculated separately for each Eligible Participant in the group) of the sum of the Matching Contributions, Qualified Nonelective Contributions (other than those treated as part of the Actual Deferral Percentage), and Elective Deferrals (other than those treated as part of the Actual Deferral Percentage) allocated for the applicable year on behalf of the Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Contribution Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Contribution Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(2) Actual Deferral Percentage. The average of the ratios for a designated group of Eligible Participants (calculated separately for each Eligible Participant in the group) of the sum of the Elective Deferrals and Qualified Nonelective Contributions (other than those treated as part of the Actual Contribution Percentage) allocated for the applicable year on behalf of a Participant, divided by the Participant's Compensation for such applicable year. The "applicable year" for determining the Actual Deferral Percentage for the group of Highly Compensated Employees shall be the current Plan Year. For all other Eligible Participants, the "applicable year" for determining the Actual Deferral Percentage shall be the immediately preceding Plan Year, unless in accordance with the procedures prescribed by the Internal Revenue Service, the Administrator elects to use the current Plan Year.

(3) Compensation. The Employee's wages that are required to be reported on IRS Form W-2, increased by any Elective Deferrals made by the Employer on behalf of the Employee under this Plan or any other plan of the Employer with a qualified cash or deferred arrangement under section 401(k) of the Code and any pre-tax elective contributions made by the Employer that are excludible from the Employee's income under section 125 of the Code.

(4) Eligible Participant. Any Employee of an Adopting Employer who is authorized under the terms of the Plan to make Elective Deferrals or have Qualified Nonelective Contributions allocated to his or her Account for the Plan Year.

(d) For purposes of determining whether a plan satisfies the Actual Contribution Percentage test of section 401(m), all employee and matching contributions that are made under two (2) or more plans that are aggregated for purposes of sections 401(a)(4) and 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(m), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(e) In calculating the Actual Contribution Percentage for purposes of section 401(m), the actual contribution ratio of a Highly Compensated Employee will be determined by treating all plans subject to section 401(m) under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single plan.

(f) For purposes of determining whether a plan satisfies the Actual Deferral Percentage test of section 401(k), all elective contributions that are made under two (2) or more plans that are aggregated for purposes of section 401(a)(4) or 410(b) (other than section 410(b)(2)(A)(ii)) are to be treated as made under a single plan and that if two (2) or more plans are permissively aggregated for purposes of section 401(k), the aggregated plans must also satisfy sections 401(a)(4) and 410(b) as though they were a single plan.

(g) In calculating the Actual Deferral Percentage for purposes of section 401(k), the actual deferral ratio of a Highly Compensated Employee will be determined by treating all cash or deferred arrangements under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single arrangement.

(h) An elective contribution will be taken into account under the Actual Deferral Percentage test of section 401(k)(3)(A) of the Code for a Plan Year only if it is allocated to the Employee as of a date within that Plan Year. For this purpose, an elective contribution is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date and the elective contribution is actually paid to the Trust no later than twelve (12) months after the Plan Year to which the contribution relates.

3.11 Correction of Excess Contributions.

(a) Excess Contributions shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Contributions as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) An Adopting Employer may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest Compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Contributions or Excess Deferrals (whether Elective Deferrals or Qualified Nonelective Contributions) allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may distribute any or all Excess Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. In the event of the termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2) (A) The income allocable to Excess Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to Elective Deferrals (and amounts treated as Elective Deferrals) by a fraction, the numerator of which is the Excess Contributions by the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to Elective Deferrals (and amounts treated as Elective Deferrals) as of the beginning of the Plan Year, increased by any Elective Deferrals (and amounts treated as Elective Deferrals) by the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's subaccounts in the following order:

(A) from the Participant's Elective Deferral Account (if such Excess Contribution is attributable to Elective Deferrals); and

(B) from the Participant's Qualified Nonelective Contribution account (if such Excess Contribution is attributable to Qualified Nonelective Contributions).

(f) (1) The term "Excess Contributions" shall mean, with respect to a Plan Year, the excess of the Elective Deferrals (including any Qualified Nonelective Contributions and Matching Contributions that are treated as Elective Deferrals under sections 401(k)(2) and 401(k)(3) of the Code) on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code. For this purpose, the maximum amount of contributions permitted under sections 401(k)(2) and 401(k)(3) of the Code shall be determined in accordance with the leveling method prescribed in Treas. Regs. section 1.401(k)-1(f)(2), or such other method as promulgated thereafter.

(2) Any distribution or recharacterization of Excess Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed or recharacterized to the extent required to eliminate the Excess Contributions or, if it results in a lower distribution or recharacterization, to the extent required to cause such Highly Compensated Employees' contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Contributions are completely distributed or recharacterized.

(3) The amount of Excess Contributions to be distributed or recharacterized shall be reduced by Excess Deferrals previously distributed for the taxable year ending in the same Plan Year and Excess Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan beginning in such taxable year.

3.12 Correction of Excess Deferrals.

(a) Excess Deferrals shall be corrected as provided in this section. The Administrator may also prevent anticipated Excess Deferrals as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. A distribution of an Excess Deferral under this section may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code. This section shall be administered and interpreted in accordance with sections 401(k) and 402(g) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed by a Participant.

(c) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made before the close of the Applicable Taxable Year. Distributions under this subsection include income allocable to the Excess Distribution so distributed, as determined under this subsection.

(2) Distribution under this subsection shall only be made if all the following conditions are satisfied:

(A) the Participant seeking the distribution designates the distribution as an Excess Deferral;

(B) the distribution is made after the date the Excess Deferral is received by the Plan; and

(C) the Plan designates the distribution as a distribution of an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under subsection (d)(3), except that income shall only be determined for the period from the beginning of the Applicable Taxable Year to the date on which the distribution is made.

(d) (1) The Administrator may distribute any or all Excess Deferrals to the Participant on whose behalf such Excess Deferrals were made after the close of the Applicable Taxable Year. Distribution under this subsection shall only be made if the Participant timely provides the notice required under subsection (d)(2) and such distribution is made after the Applicable Taxable Year and before the first April 15 following the close of the Applicable Taxable Year. Distributions under this subsection shall include income allocable to the Excess Deferrals so distributed, as determined under this subsection.

(2) Any Participant seeking a distribution of an Excess Deferral in accordance with this subsection must notify the Administrator of such request no later than the first March 15 following the close of the Applicable Taxable Year. The Administrator may agree to accept notification received after such date (but before the first April 15 following the close of the Applicable Taxable Year) if it determines that it would still be administratively practicable to make such distribution in view of the delayed notification. The notification required by this subsection shall be deemed made if a Participant's Elective Deferrals to the Plan in any Plan Year create an Excess Deferral.

(3) The income allocable to the Excess Deferral distributed under this subsection shall be determined in the same manner as under section 3.11(f)(2), except that the term "Excess Deferrals" shall be substituted for "Excess Contributions" and the term "Applicable Taxable Year" shall be substituted for "Plan Year." The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection.

(e) The following terms shall have the meanings specified:

(1) Applicable Taxable Year. The taxable year (for federal income tax purposes) of the Participant in which an Excess Deferral must be included in gross income (when made) in accordance with section 402(g) of the Code.

(2) Excess Deferral. A Participant's Elective Deferrals (and other contributions limited by section 402(g) of the Code), for an Applicable Taxable Year that are in excess of the limits imposed by section 402(g) of the Code for such Applicable Taxable Year.

3.13 Correction of Excess Aggregate Contributions.

(a) Excess Aggregate Contributions shall be corrected as provided in this section. The Administrator may use any method of correction or prevention provided in this section or any combination thereof, as it determines in its sole discretion. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) The Administrator may refuse to accept any or all prospective Elective Deferrals to be contributed to a Participant.

(c) (1) The Company may, in its sole discretion, elect to contribute, as provided in section 3.2, a Qualified Nonelective Contribution in an amount necessary to satisfy any or all of the requirements of section 3.10.

(2) Qualified Nonelective Contributions for a Plan Year shall only be allocated to the Accounts of Participants who are not Highly Compensated Employees. Qualified Nonelective Contributions shall be allocated first to the Participant with the lowest Compensation for that Plan Year and any remaining Qualified Nonelective Contributions thereafter shall be allocated to the Participant with the next lowest compensation for that Plan Year. This allocation method shall continue in ascending order of Compensation until all such Qualified Nonelective Contributions are allocated. The allocation to any Participant shall not exceed the limits under section 415 of the Code. If two or more Participants have identical Compensation, the allocations to them shall be proportional.

(3) Qualified Nonelective Contributions for a Plan Year shall be contributed to the Trust within twelve (12) months after the close of such Plan Year.

(4) Qualified Nonelective Contributions shall only be allocated to Participants who receive Compensation during the Plan Year for which such contribution is made.

(d) The Administrator may, during a Plan Year, distribute to a Participant (or such Participant's Beneficiary if the Participant is deceased), any or all Excess Aggregate Contributions allocable to that Participant's Account for that Plan Year, notwithstanding any contrary provision of the Plan. Such distribution may include earnings or losses (if any) attributable to such amounts, as determined by the Administrator.

(e) (1) The Administrator may forfeit any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. The amounts so forfeited shall not include any amounts that are nonforfeitable under ARTICLE V.

(2) Any forfeitures under this subsection shall be made in accordance with the procedures for distributions under subsection (f) except that such amounts shall be forfeited instead of being distributed.

(f) (1) The Administrator may distribute any or all Excess Aggregate Contributions for a Plan Year in accordance with the provisions of this subsection. Such distribution may only occur after the close of such Plan Year and within twelve (12) months of the close of such Plan Year. Such distributions shall be specifically designated by the Administrator as a distribution of Excess Aggregate Contributions. In the event of the complete termination of the Plan, such distribution shall be made within twelve (12) months after such termination. Such distribution shall include the income allocable to the amounts so distributed, as determined under this subsection. The Administrator may make any special allocations of earnings or losses necessary to carry out the provisions of this subsection. A distribution of an Excess Aggregate Contribution under this subsection may be made without regard to any notice or consent otherwise required pursuant to sections 411(a)(11) and 417 of the Code.

(2) (A) The income allocable to Excess Aggregate Contributions distributed under this subsection shall equal the allocable gain or loss for the Plan Year. Income includes all earnings and appreciation, including such items as interest, dividends, rent, royalties, gains from the sale of property, appreciation in the value of stock, bonds, annuity and life insurance contracts, and other property, without regard to whether such appreciation has been realized.

(B) The allocable gain or loss for the Plan Year may be determined under any reasonable method consistently applied by the Administrator. Alternatively, the Administrator may, in its discretion, determine such allocable gain or loss for the Plan Year under the method set forth in subparagraph (C).

(C) Under this method, the allocable gain or loss for the Plan Year is determined by multiplying the income for the Plan Year allocable to employee contributions, matching contributions and amounts treated as matching contributions by a fraction, the numerator of which is the Excess Aggregate Contributions for the Participant for the Plan Year and the denominator of which is the total Account balance of the Participant attributable to employee contributions, matching contributions and amounts treated as matching contributions as of the beginning of the Plan Year, increased by the employee contributions, matching contributions and amounts treated as matching contributions for the Participant for the Plan Year.

(3) Amounts distributed under this subsection (or other provisions of this section) shall first be treated as distributions from the Participant's Account in the following order:

(A) from the Participant's Qualified Nonelective Contribution Account (if such Excess Aggregate Contribution is attributable to Qualified Nonelective Contributions); and

(B) from the Participant's Matching Contribution Account (if such Excess Aggregate Contribution is attributable to Matching Contributions).

(g) (1) The term "Excess Aggregate Contributions" shall mean, with respect to a Plan Year, the excess of the aggregate amount of the matching contributions and employee contributions (including any Qualified Nonelective Contributions or elective deferrals taken into account in computing the Actual Contribution Percentage) actually made on behalf of eligible Highly Compensated Employees for the Plan Year over the maximum amount of such contributions permitted under section 401(m)(2)(A) of the Code. For this purpose, the maximum amount of contributions permitted under section 401(m)(2)(A) of the Code shall be determined in accordance with the leveling method described in section 3.11(g)(1) of the Plan.

(2) Any distribution of Excess Aggregate Contributions for a Plan Year, as determined under subsection (1) above, shall be made to the Highly Compensated Employees on the basis of the amount of contributions by, or on behalf of, each such Highly Compensated Employee in accordance with the procedure described herein. The Highly Compensated Employees with the highest amount of contributions shall have their contributions distributed to the extent required to eliminate the Excess Aggregate Contributions or, if it results in a lower distribution, to the extent required to cause such Highly Compensated Employees' contributions to equal the amount of contributions of the Highly Compensated Employees with the next highest level of contributions. This procedure shall be repeated until the Excess Aggregate Contributions are completely distributed.

(3) The terms "employee contributions" and "matching contributions" shall, for purposes of this section, have the meanings set forth in Treas. Reg. ss.1.401(m)-1(f).

3.14 Correction of Multiple Use.

(a) If the limitations of Treas. Reg. ss.1.401(m)-2 are exceeded for any Plan Year, then correction shall be made in accordance with the provisions of this section. This section shall be administered and interpreted in accordance with sections 401(k) and 401(m) of the Code.

(b) Any correction required by this section shall be calculated and administered in accordance with the provisions for correcting Excess Contributions (in section 3.11), Excess Aggregate Contributions (in section 3.13) or both, as the Administrator determines in its sole discretion. Any correction required by this section, to the extent possible, shall be made only with respect to those Highly Compensated Employees who are eligible in both the arrangement subject to section 401(k) of the Code and the Plan, as subject to section 401(m) of the Code.

ARTICLE IV
Investment of Accounts

4.1 Election of Investment Funds.

(a) Except as otherwise prescribed in subsections (b) and (c) below, upon enrollment in the Plan, each Participant shall direct that the funds in the Participant's Account be invested in increments of one percent (1%) in one or more of the following investment funds:

(1) Fund A. An equity fund designated by the Administrator;

(2) Fund B. A fixed income fund designated by the Administrator;

(3) Fund C. Common Stock fund;

(4) Fund D. A stock index fund designated by the Administrator;

(5) Fund E. A balanced fund designated by the Administrator;

(6) Fund F. A growth fund designated by the Administrator, investing primarily in equities of companies of all types and sizes;

(7) Fund G. A growth fund designated by the Administrator, investing primarily in equities of well-known and established companies;

(8) Fund H. General Motors Class H stock fund;

(9) Fund I. Raytheon Company Class A stock fund.

(b) Amounts contributed to a Participant's Matching Contribution Account must be invested in Fund C (Common Stock fund) until the end of two (2) full Plan Years following the Plan Year for which such contributions are made. Thereafter, a Participant may designate the investment of the Matching Contribution funds in accordance with the provisions of subsection (a) above.

(c) The only assets that may be invested in Fund H or Fund I are the General Motors Class H stock and cash directly transferred from the Hughes Thrift and Savings Plan pursuant to section 3.7(b)(4). A Participant may not direct that any other funds in the Participant's Account be invested in Fund H or Fund I. Notwithstanding subsection (d) below, the Administrator shall maintain Fund H and Fund I as investment options under the Plan, subject to the limitations prescribed in this subsection (c), for five (5) complete Plan Years following the Effective Date; provided, however, that if at any time prior to the expiration of such five (5) year period, the aggregate fair market value of the assets invested in either Fund H or Fund I falls below five percent (5%) of the highest fair market value of the assets invested in Fund H or Fund I, respectively, the Administrator may, with six (6) months written notice to affected Participants, eliminate Fund H or Fund I, as applicable, as investment options under the Plan. Notwithstanding the foregoing, the Administrator may eliminate one or both funds at any time if the Administrator determines in good faith that such elimination is necessary under applicable law (including without limitation the prudence requirements of ERISA). When Fund H and Fund I are eliminated in accordance with this section 4.1(c), Participants with assets invested in Fund H or Fund I, as applicable, shall direct the transfer of such assets to other funds available under the Plan or, if no such election is made, the Administrator shall transfer such assets to Fund B or a similar low risk fixed income fund as determined by the Administrator in its discretion.

(d) In its discretion, the Administrator may from time to time designate new funds and, where appropriate, preclude investment in existing funds and provide for the transfer of Accounts invested in those funds to other funds selected by the Participant or, if no such election is made, to Fund B or similar low risk fixed income fund as determined by the Administrator in its discretion.

(e) Except as otherwise prescribed in subsections (b) and (c) above, a Participant's investment election will apply to the entire Account of the Participant.

(f) In establishing rules and procedures under section 4.1, the following shall apply:

(1) Each Participant, Beneficiary or Alternate Payee shall affirmatively elect to self-direct the investment of assets in his or her Account, but such election may provide for default investments in the absence of specific directions from such Participant, Beneficiary or Alternate Payee.

(2) The investment directions of a Participant shall continue to apply after that Participant's death or incompetence until the Beneficiary (or, if there is more than one Beneficiary for that Account, all of the Beneficiaries), guardian or other representatives provide contrary direction.

The Administrator may decline to implement investment designations if such investment, in the Administrator's judgment:

(A) would result in a prohibited transaction under section 4975 of the Code;

(B) would generate income taxable to the Trust Fund;

(C) would not be in accordance with the Plan and Trust;

(D) would cause a Fiduciary to maintain the indicia of ownership of any assets of the Trust Fund outside the jurisdiction of the district courts of the United States other than as permitted by section 404(b) of ERISA and Labor Reg. ss.2550.404(b)-1;

(E) would jeopardize the Plan's tax qualified status under the Code;

(F) could result in a loss in excess of the amount credited to the Account; or

(G) would violate any other requirements of the Code or ERISA.

(4) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator may establish reasonable restrictions on the frequency with which investment directions may be given, consistent with section 404(c) of ERISA.

(5) The Administrator may establish limits on the use of brokers, investment counsel or other advisors that may be utilized, including specifying that all investments must be made through a designated broker or brokers.

(6) The Administrator may establish limits on the types of investments that are permitted.

(g) Except as otherwise prescribed in subsections (b) and (c) above, the Administrator shall establish such rules and procedures as may be advisable or necessary to carry out the provisions of this section, with such rules and procedures being consistent with section 404(c) of ERISA.

(h) The Administrator shall establish such rules and procedures as may be advisable or necessary to reasonably ensure that all transactions involving the investment funds comply with all applicable laws, including the securities laws.

4.2 Change in Investment Allocation of Future Deferrals. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to change the investment allocation of future contributions effective as of the first administratively feasible Business Day subsequent to telephone notice to the Recordkeeper. Any changes must be made either in increments of one percent (1%) of the Participant's Account or in a specified whole dollar amount and must result in a total investment of one hundred percent (100%) of the Participant's Account.

4.3 Transfer of Account Balances Between Investment Funds. Except as otherwise prescribed in sections 4.1(b) and (c), each Participant may elect to transfer all or a portion of the amount in his or her Account between investment funds effective as of the first administratively feasible Business Day following telephone notice to the Recordkeeper. In determining the amount of the transfer, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day. Such transfers must be made in either one percent (1%) increments of the entire Account or in a specified amount in whole dollars and, as of the completion of the transfer, must result in investment of one hundred percent (100%) of the Account. Transfers shall be effected by telephone notice to the Recordkeeper.

4.4 Ownership Status of Funds. The Trustee shall be the owner of record of the assets in the funds specified as Funds A, B, C, D, E, F, G, H and I and such other funds as may be established by the Administrator. The Administrator shall have records maintained as of the Valuation Date for each fund allocating a portion of the fund to each Participant who has elected that his or her Account be invested in such fund. The records shall reflect each Participant's portion of Funds A, B, D, E, F and G and such other funds as may be established by the Administrator, in a cash amount and shall reflect each Participant's portion of Funds C, H and I in cash and unitized shares of stock.

4.5 Voting Rights. Participants whose Account has shares of participation in Funds C or I on the last business day of the second month preceding the record date (the "Voting Eligibility Date") for any meeting of stockholders have the right to instruct the Trustee as to voting at such meeting. The number of votes is determined by dividing the value of the shares in the Participant's Account in Funds C and I, as applicable, by the closing price of the respective classes of stock on the Voting Eligibility Date. If the Trustee has not received instructions from a Participant as to voting of shares within a specified time, then the Trustee shall not vote those shares. If a Participant furnishes the Trustee with a signed vote direction card without indicating a voting choice thereon, the Trustee shall vote the Participant's shares as recommended by management. In addition, each Participant shall have

the right to accept or reject any tender or exchange offer for shares of the respective classes of stock. The Trustee shall vote (or tender or exchange) all combined fractional shares of the respective classes of stock to the extent possible in the same proportion as the shares which have been voted (or tendered or exchanged) by each Participant. Any instructions as to voting (or tender or exchange) received from an individual Participant shall be held in confidence by the Trustee and shall not be divulged to the Adopting Employers or to any officer or employee thereof or to any other person.

4.6 Allocation of Earnings.

(a) (1) The Administrator, as of each Valuation Date, shall adjust the amounts credited to the Accounts (including Accounts for persons who are no longer Employees) so that the total of such Account balances equals the fair market value of the Trust Fund assets as of such Valuation Date. Except as otherwise provided herein, any changes in the fair market value of the Trust Fund assets since the preceding Valuation Date shall be charged or credited to each Account in the ratio that the balance in each such Account as of the preceding Valuation Date bears to the balances in all Accounts as of that Valuation Date with appropriate adjustments to reflect any distributions, allocations or similar adjustments to such Account or Accounts since that Valuation Date.

(2) To the extent that separate investment funds are established (as provided in section 4.1), the adjustments required by subsection (a)(1) shall be made by applying subsection (a)(1) separately for each such investment fund so that any changes in the net worth of each such investment fund are charged or credited to the portion of each Account invested in such investment fund in the ratio that the portion of each such Account invested in such investment fund as of the preceding Valuation Date (reduced by any distributions made from that portion of such Account since that Valuation Date) bears to the total amount credited to such investment funds as of that Valuation Date (reduced by distributions made from such investment fund since that Valuation Date).

(3) Interim valuations, in accordance with the foregoing procedure, may be made at such time or times as the Administrator directs.

(b) The Administrator may, in its sole discretion, direct the Trustee to segregate and separately invest any Trust Fund assets. If any assets are segregated in this fashion, the earnings or losses on such assets shall be determined apart from other Trust assets and shall be adjusted on each Valuation Date, or at such other times as the Administrator deems necessary, in accordance with this section.

ARTICLE V
Vesting

5.1 Elective Deferral, Rollover Contribution and Qualified Nonelective Contribution Accounts. Each Participant shall have a Nonforfeitable right to any amounts in the Participant's Elective Deferral, Rollover Contribution and Qualified Nonelective Contribution Accounts.

5.2 Matching Contribution Account.

(a) Each Participant shall have a Nonforfeitable right to his or her Matching Contribution Account upon the earliest of:

(1) the Participant's completion of a Period of Service of five (5) years;

(2) the Participant's completion of a Period of Participation of three (3) years;

(3) the Participant's Retirement, death while an Employee, Disability or attainment of Normal Retirement Age; or

(4) the Participant's Layoff or Severance from Service due to Qualified Military Service.

5.3 Break in Service Rules

(a) Periods of Service. In determining the length of a Period of Service, the Administrator shall include all Periods of Service, except the following Periods of Service shall not be taken into account:

(1) in the case of a Participant who has not made Elective Deferrals to the Plan, the Period of Service before any Period of Severance which equals or exceeds five (5) consecutive years; and

(2) in the case of a Participant who has made Elective Deferrals to the Plan and who has incurred a Period of Severance which equals or exceeds five (5) years, the Period of Service after such Period of Severance shall not be taken into account for purposes of determining the nonforfeitable interest of such Participant in the Matching Contributions allocated to his or her Account before such Period of Severance.

(b) Periods of Severance. In determining the length of a Period of Service for purposes of section 14.39, the Administrator shall include any period of time beginning on an Employee's Severance from Service Date and ending on the date on which he or she is next credited with an Hour of Service, provided that such Hour of Service is credited within the twelve (12) consecutive month period following such Severance from Service Date.

(c) Other Periods. In making the determinations described in subsections (a) and (b) of this section, the second, third, and fourth consecutive years of a Layoff (from the first anniversary of the last day paid to the fourth anniversary of the last day paid) and any period in excess of one (1) year of an Authorized Leave of Absence shall be regarded as neither a Period of Service nor a Period of Severance.

ARTICLE VI
Withdrawals and Distribution of Benefits

6.1 In-Service Withdrawals - Matching Contributions. Upon completion of a Period of Participation of five (5) years, a Participant may withdraw, subject to a minimum withdrawal amount of two hundred fifty dollars ($250), all or part of the Participant's Matching Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.15. Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator will be made in cash; withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or uninvested shares) as directed by the Participant. Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Matching Contribution Account.

6.2 In-Service Withdrawal -- Elective Deferral and Qualified Nonelective Contribution Accounts. While an Employee, a Participant may withdraw all or a portion of his or her Elective Deferral Account and Qualified Nonelective Contribution Account on or after attainment of age fifty-nine and one-half (59 1/2).

6.3 In-Service Withdrawal -- Hardship.

(a) A Participant who has experienced a hardship, as described in this section, may withdraw from his or her Elective Deferral Account amounts attributable to Elective Deferrals (adjusted for net losses, if any). Whether a Participant is entitled to a withdrawal under this section is to be determined by the Administrator in accordance with nondiscriminatory and objective standards. In order to be entitled to a hardship withdrawal under this section, a Participant must satisfy the requirements of both subsection (b) and subsection (c).

(b) A Participant will be deemed to have experienced an immediate and heavy financial need necessary to satisfy the requirements of this subsection if the withdrawal is on account of:

(1) medical expenses described in section 213(d) of the Code incurred by the Participant, the Participant's spouse or any dependents of the Participant;

(2) the purchase (excluding mortgage payments) of a principal resident of the Participant;

(3) payment of tuition for the next twelve (12) months of post-secondary education for the Participant or his or her spouse, children or dependents; or

(4) the need to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage of the Participant's principal residence.

(c) (1) A withdrawal under this subsection will be deemed necessary to satisfy an immediate and heavy financial need of the Participant if it satisfies the requirements of this subsection. To the extent the amount of the withdrawal would be in excess of the amount required to relieve the financial need of the Participant or to the extent such need may be satisfied from other resources that are reasonably available to the Participant, such withdrawal shall not satisfy the requirements of this subsection. For purposes of this subsection, a Participant's resources shall be deemed to include those assets of his or her spouse or minor children that are reasonably available to the Participant.

(2) A withdrawal may be treated as necessary to satisfy a financial need if the Administrator reasonably relies upon the Participant's representation that the need cannot be relieved:

(A) through reimbursement or compensation by insurance or otherwise;

(B) by reasonable liquidation of the Participant's assets to the extent such liquidation would not itself cause an immediate and heavy financial need;

(C) by cessation of Elective Deferrals under the Plan for at least twelve (12) months after receipt of the hardship withdrawal;

(D) by other distributions or nontaxable (at the time of the loan) loans from plans maintained by the Adopting Employers or by any other employer or by borrowing from commercial sources on reasonable commercial terms.

(d) If a Participant receives a withdrawal for reasons of financial hardship, the Participant's Elective Deferrals shall be reduced to six percent (6%) (or such lower percentage as the Participant shall thereafter designate), if in excess thereof as of the date of the distribution, and shall not be increased during the twelve (12) months immediately subsequent to the date of distribution.

(e) Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

(f) Withdrawals will be based upon the value of the Account as determined under section 6.15.

(g) payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal.

(h) Withdrawals from Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant.

(i) Funds for the withdrawal will be taken on a pro rata basis against the Participant's investment fund balances in the Participant's Elective Deferral Account.

6.4 In-Service Withdrawal -- Rollover Contribution Account. A Participant may withdraw all or a portion of his or her Rollover Contribution Account. Withdrawals will be based upon the value of the Account as determined under section 6.15. Payment of the amount withdrawn will be made as soon as reasonably practicable after the effective date of the withdrawal. Withdrawals from Funds A, B, D, E, F and G will be made in cash. Withdrawals from Funds C, H and I will be made in cash or stock (with cash for fractional or unissued shares) as elected by the Participant. Withdrawals of less than two hundred fifty dollars ($250) will not be permitted.

6.5 Redeposits Prohibited. No amount withdrawn pursuant to sections 6.1, 6.2, 6.3, or 6.4 may be redeposited in the Plan.

6.6 Distribution of Benefits.

(a) All benefits payable under this Plan shall be paid in the manner and at the times specified in this ARTICLE. Any payments to Participants or Beneficiaries shall be made in cash (or cash equivalents) except as otherwise provided herein. Distributions may be made wholly or partly by an in-kind distribution of assets held by the Trust Fund if the distributee consents to such an in-kind distribution and the Administrator determines that such an in-kind distribution is not administratively burdensome.

(b) All payment methods and distributions shall comply with the requirements of sections 401(a)(4) and 401(a)(9) of the Code and the regulations thereunder and, if necessary, shall be interpreted to so comply. The provisions of this ARTICLE apply to all amounts credited to an Account, regardless of the source of such amounts. All distributions shall comply with the incidental death benefit requirement of section 401(a)(9)(G) of the Code. Distributions shall comply with the regulations under section 401(a)(9) of the Code, including Treas. Reg. ss.1.401(a)(9)-2. The provisions of the Plan reflecting section 401(a)(9) of the Code override any distribution provisions in the Plan inconsistent with section 401(a)(9).

(c) Distribution of the Participant's Account (to which the Participant has a Nonforfeitable right) will be made at the direction of the Participant (or his or her legal representative or Beneficiary in the case of his or her Disability or death) upon the Retirement, Disability, death or Severance from Service of the Participant. In the event the Participant dies or his or her Severance from Service occurs after his or her Normal Retirement Age, or if the value of the Nonforfeitable portion of the Participant's Account as of the Valuation Date which coincides with or immediately precedes the date of distribution is not in excess of three thousand five hundred dollars ($3,500), the Administrator shall cause the distribution to automatically be made.

(d) Payment will be made in the form of a lump-sum distribution of the entire amount in the Participant's Account (to which the Participant has a Nonforfeitable right), which will be paid as soon as practicable following notification to the Benefits and Services Department, Raytheon Company, Lexington, Massachusetts, of the Retirement, death, Disability or Severance from Service and a telephone request by the Participant to the Recordkeeper for the distribution. Distributions will be based upon the value of the Account as determined under section 6.15. Distribution of the amounts in said accounts in the funds designated in Funds A, B, D, E, F and G, and such other funds as may be established by the Administrator, will be made in cash. Distribution of the amounts in Funds C, H and I (if any) will be made in either cash or stock, at the election of the Participant or, in the case of death, the Participant's Beneficiary. Partial deferrals will not be permitted. If there is no Beneficiary surviving a deceased Participant at the time payment of his or her Account is to be made, such payment shall be made in a lump-sum to the person or persons in the first following class of successive Beneficiaries surviving, any testamentary devise or bequest to the contrary notwithstanding: the Participant's (1) spouse, (2) children and issue of deceased children by right of representation, (3) parents, (4) brothers and sisters and issue of deceased brothers and sisters by right of representation, or (5) executors or administrators. If no Beneficiary can be located during a period of seven (7) years from the date of death, the amount of the distribution shall revert to the Trust and be treated in the same manner as a forfeiture under section 3.6.

(e) If the Participant dies before the time when distribution is considered to have commenced in accordance with applicable regulations, then any remaining portion of the Participant's interest will be distributed within five (5) years after the Participant's death. If a distribution is considered to have commenced in accordance with the applicable regulations before the Participant's death, the remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the Participant's death.

(f) Except as provided by section 401(a)(9) of the Code as set forth in this section, benefits in the Plan will be distributed to each Participant not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(1) attainment by the Participant of Normal Retirement Age;

(2) the tenth (10th) anniversary of the date on which Participant commenced participation in the Plan; or

(3) Participant's Severance from Service.

6.7 Mandatory Distributions.

A Participant who has attained age seventy and one-half (70 1/2) and is subject to the mandatory distribution requirements of section 401(a)(9) shall receive a lump sum distribution of the Participant's Account (to which the Participant has a nonforfeitable right) at the time distributions must commence in order to comply with such requirements. If additional amounts are allocated to the Participant's Account following such lump sum distribution, additional lump sum distributions of the Participant's Account (to which the Participant has a nonforefeitable right) shall be made at such times any mandatory distributions are required to comply with section 401(a)(9). Such payments shall be made notwithstanding any contrary provisions of the Plan or election made by such Participant.

6.8 Commencement of Benefits.

(a) Except as otherwise provided in this ARTICLE, distribution to a Participant (or Beneficiary) shall commence within a reasonable period of time following the Participant's Retirement, Disability, death or Severance from Service.

(b) If the vested amount in the Participant's Account exceeds or ever exceeded three thousand five hundred dollars ($3, 500), then payment to the Participant shall not commence before such Participant has attained age sixty-five (65), unless the Participant requests an earlier distribution. Such request must be made not more than ninety (90) days before the commencement of the distribution.

6.9 Payments to Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is adjudicated to be legally incapable of giving valid receipt and discharge for such benefits, the benefits may be paid to the duly authorized personal representative of such Participant or Beneficiary.

6.10 Income Tax Withholding. To the extent required by section 3405 of the Code, distributions and withdrawals from the Plan shall be subject to federal income tax withholding.

6.11 Direct Rollovers.

(a) A Participant may elect that all or any portion of a distribution that would otherwise be paid as an Eligible Rollover Distribution shall instead be transferred as a Direct Rollover.

(b) (1) The Administrator shall determine and apply rules and procedures as it deems reasonable with respect to Direct Rollovers in addition to, or in lieu of, those set forth in subsection (b)(2). The Administrator may change such rules and procedures from time to time and shall not be bound by any previous rules and procedures it has applied.

(2) Unless otherwise determined by the Administrator, the following rules and procedures shall apply to this section:

(A) A Direct Rollover shall not be permitted to more than one Eligible Retirement Plan.

(B) A Direct Rollover shall not be permitted if it constitutes less than the full amount of the Eligible Rollover Distribution.

(c) The following terms shall have the meanings specified:

(1) Direct Rollover. An available distribution that is paid directly to an Eligible Retirement Plan for the benefit of the distributee.

(2) Distributee. A Participant or former Participant. In addition, the Participant's or former Participant's Surviving Spouse or former spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

(3) Eligible Retirement Plan. An individual retirement account described in section 408(a) of the Code, an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code if such qualified trust is part of a plan that permits acceptance of Direct Rollovers or an annuity plan described in section 403(a) of the Code. In the case of a Direct Rollover for the benefit of the spouse or former spouse of a Participant, the term "Eligible Retirement Plan" shall only include an individual retirement account described in section 408(a) of the Code and an individual retirement annuity (other than an endowment contract) described in section 408(b) of the Code.

(1) Eligible Rollover Distribution. Any distribution under the Plan to a Participant, a Participant's spouse or a Participant's former spouse, except for the following:

(A) Any distribution to the extent the distribution is required under section 401(a)(9) of the Code.

(B) The portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation described in section 402(e)(4) of the Code).

(C) Returns of elective deferrals described in Treas. Reg. ss.1.415-6(b)(6)(iv) that are returned as a result of the limitations unde section 415 of the Code.

(D) Corrective distributions of excess contributions and excess deferrals under qualified cash or deferred arrangements as described in Treas. Reg. ss.1.401(k)-1(f)(4) and ss.1.402(g)-1(e)(3), respectively, and corrective distributions of excess aggregate contributions as described in Treas. Reg. ss.1.401(m)-1(e)(3), together with the income allocable to these corrective distributions.

(E) Loans treated as distributions under section 72(p) of the Code and not excepted by section 72(p)(2) of the Code.

(F) Loans in default that are deemed distributions.

(G) Dividends paid on employer securities as described in section 404(k) of the Code.

(H) The costs of life insurance coverage.

(I) Similar items designated by the Internal Revenue Service in revenue rulings, notices, and other guidance of general applicability.

6.12 Notice and Payment Elections.

(a) The Administrator shall provide Participants or other Distributees of Eligible Rollover Distributions with a written notice designed to comply with the requirements of section 402(f) of the Code. Such notice shall be provided within a reasonable period of time before making an Eligible Rollover Distribution.

(b) Any elections concerning the payment of benefits under section 6.6 shall be made on a form prescribed by the Administrator. The Participant or other Distributee shall submit a completed form to the Administrator at least thirty (30) days before payment is scheduled to commence, unless the Administrator agrees to a shorter time period. Any election made under this section shall be revocable until thirty (30) days before payment is scheduled to commence.

(c) An election to have payment made in a Direct Rollover shall only be valid if the Participant or other Distributee provides adequate information to the Administrator for the implementation of such Direct Rollover and such reasonable verification as the Administrator may require that the transferee is an Eligible Retirement Plan.

6.13 Qualified Domestic Relations Orders.

(a) Notwithstanding any contrary provision of the Plan, payments shall be made in accordance with any judgment, decree or order determined to be a Qualified Domestic Relations Order.

(b) (1) If the Plan receives a Domestic Relations Order, the Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and of the Plan's procedures for determining whether such order is a Qualified Domestic Relations Order. The Administrator shall, within a reasonable period after receipt of such order, determine whether it is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of that determination.

(2) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined, the Administrator shall separately account for the amounts that would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order.

(c) (1) A Domestic Relations Order meets the requirements of this subsection only if such order clearly specifies the following:

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order;

(B) the amount or the percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee or the manner in which such amount or percentage is to be determined;

(C) the number of payments or period to which such order applies; and

(D) each plan to which such order applies.

(2) A Domestic Relations Order meets the requirements of this subsection only if such order does not:

(A) require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan;

(B) require the Plan to provide increased benefits (determined on the basis of actuarial value); and

(C) does not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(d) A domestic relations order shall not be treated as failing to meet the requirements of section 6.13(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee:

(1) in the case of any payment before a Participant has separated from service, on or after the date on which the Participant attains (or would have attained) the Earliest Retirement Date;

(2) as if the Participant had retired on the date on which such payment is to begin under such order (but taking into account only the present value of the benefits actually accrued and not taking into account the present value of any employer subsidy for early retirement); and

(3) in any form in which such benefits may be paid under the Plan to the Participant (other than in the form of a qualified joint and survivor annuity with respect to the Alternate Payee and his or her subsequent spouse).

(e) A domestic relations order shall not be treated as failing to meet the requirements of section 6.13(c)(2)(A) solely because such order requires that payment of benefits be made to an Alternate Payee at a date before the Participant is entitled to receive a distribution. Such distribution shall be made to such Alternate Payee notwithstanding any contrary provision of the Plan.

(f) The following terms shall have the meanings specified:

(1) Alternate Payee. Any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to benefits under the Plan with respect to such Participant.

(2) Domestic Relations Order. A judgment, decree or order relating to child support, alimony or marital property rights, as defined in section 414(p)(1)(B) of the Code.

(3) Earliest Retirement Date. The earlier of:

(A) the date on which the Participant is entitled to a distribution under the Plan; or

(B) the later of:

(i) the date the Participant attains age fifty (50); or

(ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service.

(4) Qualified Domestic Relations Order. A Domestic Relations Order that satisfies the requirements of subsection (c) and section 414(p)(1)(A) of the Code.

(g) If an Alternate Payee entitled to payment under this section is the spouse or former spouse of a Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion, of such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.11.

(h) If a Domestic Relations Order directs that payment be made to an Alternate Payee before the Participant's Earliest Retirement Date and such Domestic Relations Order otherwise qualifies as a Qualified Domestic Relations Order, then the Domestic Relations Order shall be treated as a Qualified Domestic Relations Order and such payment shall be made to the Alternate Payee, even though the Participant is not entitled to receive a distribution under the Plan because he or she continues to be an Employee of one of the Adopting Employers.

(i) This section shall be interpreted and administered in accordance with section 414(p) of the Code.

6.14 Lost Beneficiary.

(a) All Participants and Beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid.

(b) If any amount is payable to a Participant or Beneficiary who cannot be located to receive such payment, such amount may, at the discretion of the Administrator, be forfeited; provided, however, that if such Participant or Beneficiary subsequently claims the forfeited amount, it shall be reinstated and paid to such Participant or Beneficiary. Such reinstatement may, in the Administrator's sole discretion, be made from Company Contributions, forfeitures or Trust earnings, and shall be treated as a special allocation that supersedes the normal allocation rules.

(c) If the Administrator has not, after due diligence, located a Participant or Beneficiary who is entitled to payment within three (3) years after the Participant's Severance from Service, then, at the discretion of the Administrator, such person may be presumed deceased for purposes of this Plan. Any such presumption of death shall be final, conclusive and binding on all parties.

6.15 Determination of Amount of Withdrawal or Distribution. In determining the amount of any withdrawal or distribution hereunder, the Participant's Account shall be valued as of the close of business on the Business Day on which telephone notice is received; provided, however, that in any case where the telephone notice is received after 4:00 p.m. Eastern Time (daylight or standard, whichever is in effect on the date of the call), the Account shall be valued as of the close of business on the next Business Day.

6.16 Offsets. Any transfers or payments made from a Participant's Account to a person other than the Participant pursuant to the provisions of this Plan shall reduce the Participant's Account and offset any amounts otherwise due to such Participant. Such transfers or payments shall not be considered a forfeiture for purposes of the Plan.

ARTICLE VII
Loans

7.1 Availability of Loans. Participants may borrow against all or a portion of the balance in the Participant's Elective Deferral Account and Rollover Contribution Account, and the Matching Contribution Account if the Participant has a Nonforfeitable right thereto pursuant to section 5.2, subject to the limitations set forth in this ARTICLE. Participants who have incurred a Severance from Service will not be eligible for a Plan loan. The Vice President, Human Resources, is authorized to administer this loan program.

7.2 Minimum Amount of Loan. No loan of less than five hundred dollar ($500) will be permitted.

7.3 Maximum Amount of Loan. No loan in excess of fifty percent (50%) of the Participant's Nonforfeitable Account balance will be permitted. In addition, limits imposed by the Code and any other requirements of applicable statute or regulation will be applied. Under the current requirements of the Code, if the aggregate value of a Participant's Nonforfeitable Account balance exceeds twenty thousand dollars ($20,000), the loan cannot exceed the lesser of one-half (1/2) the Participant's Nonforfeitable Account balance or fifty thousand dollars ($50,000) reduced by the excess of (a) the highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan was made over (b) the outstanding balance of loans from the Plan on the date on which such loan was made.

7.4 Effective Date of Loans. Loans will be effective as specified in the Administrator's rules then in effect.

7.5 Repayment Schedule. The Participant may select a repayment schedule of one, two, three, four or five (1, 2, 3, 4 or 5) years. If the loan is used to acquire any dwelling which, within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant, the repayment period may be extended up to fifteen (15) years at the election of the Participant. All repayments will be made through payroll deductions in accordance with the loan agreement executed at the time the loan is made, except that, in the event of the sale of all or a portion of the business of the Employer or one of the Adopting Employers, or other unusual circumstances, the Administrator, through uniform and equitable rules, may establish other means of repayment. The loan agreement will permit repayment of the entire outstanding balance in one lump-sum. The minimum repayment amount per pay period is ten dollars ($10) for Participants paid weekly and fifty dollars ($50) for Participants paid monthly. The repayment schedule shall provide for substantially level amortization of the loan. Loan repayments will be suspended under this Plan as permitted under section 414(u) of the Code.

7.6 Limit on Number of Loans. No more than two (2) loans may be outstanding at any time.

7.7 Interest Rate. The interest rate for a loan pursuant to this ARTICLE will be equal to the prime rate published in The Wall Street Journal on the first business day in June and December of each year. The rate published on the first business day in June will apply to loans which are effective at any time during the period July 1 through December 31 thereafter; the rate published on the first business day of December will apply to loans which are effective at any time during the period January 1 through June 30 thereafter.

7.8 Effect Upon Participant's Elective Deferral Account. Upon the granting of a loan to a Participant by the Administrator, the allocations in the Participant's Account to the respective investment funds will be reduced on a pro rata basis and replaced by the loan balance which will be designated as an asset in the Account. Such reduction shall be effected by reducing the Participant's Accounts in the following sequence, with no reduction of the succeeding Accounts until prior Accounts have been exhausted by the loan: Matching Contribution Account; Elective Deferral Account; and Rollover Contribution Account. Upon repayment of the principal and interest, the loan balance will be reduced, the Participant Accounts will be increased in the reverse order in which they were exhausted by the loan, and the loan payments will be allocated to the respective investment funds in accordance with the investment election then in effect.

7.9 Effect of Severance From Service and Nonpayment. In the event that a loan remains outstanding upon the Severance from Service of a Participant, the Participant will be given the option of continuing to repay the outstanding loan. In any case where payments on the outstanding loan are not made within ninety (90) days of the Participant's Severance from Service Date, the amount of any unpaid principal will be deducted from the Participant's account and reported as a distribution. If, as a result of Layoff or Authorized Leave of Absence, a Participant, although still in a Period of Service, is not being compensated through the Employer's payroll system, loan payments will be suspended until the earliest of the first pay date after the Participant returns to active employment with the Employer, the Participant's Severance from Service Date, or the expiration of twelve (12) months from the date of the suspension. In the event the Participant does not return to active employment with the Employer, the Participant will be given the option of continuing to repay the outstanding loan. If the Participant fails to resume payments on the loan, the outstanding loan will be reported as a taxable distribution. In no event, however, shall the loan be deducted from the Participant's Account earlier than the date on which the Participant (i) incurs a Severance from Service, or, (ii) attains age fifty-nine and one-half (59 1/2).

ARTICLE VIII
Contribution and Benefit Limitations

8.1 Contribution Limits.

(a) The Annual Additions that may be allocated to a Participant's Account for any Limitation Year shall not exceed the lesser of:

(1) thirty thousand dollars ($30,000); or

(2) twenty-five percent (25%) of the Participant's Compensation for that Limitation Year.

(b) If the Employer maintains any other Defined Contribution Plans then the limitations in subsection (a) shall be computed with reference to the aggregate Annual Additions for each Participant from all such Defined Contribution Plans.

(c) If the Annual Additions for a Participant would exceed the limits specified in this section, then the Annual Additions under this Plan for that Participant shall be reduced to the extent necessary to prevent such limits from being exceeded. Such reduction shall be made in accordance with section 8.4.

8.2 Overall Limits.

(a) If a Participant is participating in both a Defined Contribution Plan and a Defined Benefit Plan of the Employer, then the sum of the Defined Contribution Fraction and the Defined Benefit Fraction for any Limitation Year shall not exceed 1.0.

(b) If the sum of the Defined Contribution Fraction and the Defined Benefit Fraction would exceed 1.0, then the annual benefits under the Defined Benefit Plan shall be reduced to the extent necessary so that the sum of such fractions does not exceed 1.0.

8.3 Annual Adjustments to Limits. The dollar limits for Annual Additions and the dollar limits in the Defined Benefit Fraction and Defined Contribution Fraction shall be adjusted for cost-of-living to the extent permitted under section 415 of the Code.

8.4 Excess Amounts.

(a) The foregoing limits shall be limits on the allocation that may be made to a Participant's Account in any Limitation Year. If an excess Annual Addition would otherwise result from allocation of forfeitures, reasonable errors in determining Compensation or other comparable reasons, then the Administrator may take any (or all) of the following steps to prevent the excess Annual Additions from being allocated:

(1) return any contributions from the Participant, as long as such return is nondiscriminatory;

(2) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against Matching Contributions for that Participant made in succeeding years;

(3) hold the excess amounts unallocated in a suspense account and apply the balance of the suspense account against succeeding year Matching Contributions;

(4) reallocate the excess amounts to other Participants.

(b) Any suspense account established under this section shall not be credited with income or loss unless otherwise directed by the Administrator. If a suspense account under this section is to be applied in a subsequent Limitation Year, then the amounts in the suspense account shall be applied before any Annual Additions (other than forfeitures) are made for such Limitation Year.

8.5 Definitions.

(a) The following terms shall have the meanings specified:

(1) Annual Addition. The sum for any Limitation Year of additions (not including Rollover Contributions) to a Participant's Account as a result of:

(A) Employer contributions (including Matching Contributions, Qualified Nonelective Contributions and Elective Deferrals);

(B) Employee contributions;

(C) forfeitures; and

(D) amounts described in Code sections 415(l)(1) and 419A(d)(2).

(2) Defined Benefit Fraction. A fraction, the numerator of which is the Projected Annual Benefit of the Participant under all Defined Benefit Plans of the Employer (determined as of the close of the Limitation Year) and the denominator of which is the Projected Annual Benefit the Participant would have under such plans (determined as of the close of the Limitation Year) if such plans provided an annual benefit equal to the lesser of:

(A) the product of 1.25 multiplied by ninety thousand dollars ($90,000); or

(B) the product of 1.4 multiplied by one hundred percent (100%) of the Participant's average Compensation for the Participant's three (3) consecutive Years of Service that produce the highest average Compensation.

For purposes of determining the Defined Benefit Fraction of a Participant who was employed by an Adopting Employer on December 18, 1997 or who transferred to an Adopting Company from General Motors Corporation or one of its affiliates after such date and before December 1, 1998, service for and Compensation received from General Motors Corporation and its affiliates, if any, shall be taken into account, and the Projected Annual Benefit under any Defined Benefit Plan of the Employer shall not be reduced as a result of the transfer of any assets or liabilities from a Defined Benefit Plan maintained by General Motors Corporation and its affiliates.

(3) Defined Benefit Plan. Any plan qualified under section 401(a) of the Code that is not a Defined Contribution Plan.

(4) Defined Contribution Fraction. A fraction, the numerator of which is the sum of the Annual Additions to the Participant's Accounts as of the close of the Limitation Year, and the denominator of which is equal to the sum of the lesser of the following amounts determined for such Limitation Year and for each prior year of service with the Employer:

(A) the product of 1.25 multiplied by thirty thousand dollars ($30,000); or

(B) the product of 1.4 multiplied by twenty-five percent (25%) of the Participant's Compensation.

For purposes of determining the Defined Contribution Fraction of a Participant, services performed for, Compensation paid by and Annual Additions made by General Motors Corporation or any of its affiliates shall not be taken into account.

(5) Defined Contribution Plan. A plan qualified under section 401(a) of the Code that provides an individual account for each Participant and benefits based solely on the amount contributed to the Participant's Account, plus any income, expenses, gains and losses, and forfeitures of other Participants which may be allocated to such Participant's account.

(6) Limitation Year. The Plan Year, until the Employer adopts a different Limitation Year.

(7) Projected Annual Benefit. The annual benefit to which a Participant would be entitled, assuming:

(A) the Participant continues in employment until Normal Retirement Age under the Plan;

(B) the Participant's Compensation for the Limitation Year remains the same until such Normal Retirement Age; and

(C) all other relevant factors under the Plan for the Limitation Year will remain constant.

(b) For purposes of this ARTICLE, the term "Compensation" shall mean all amounts paid to an Employee for personal service actually rendered to the Employer, including, but not limited to, wages, salary, commissions, bonuses, overtime and other premium pay as specified in Reg. ss. 1.415-2(d)(2), but excluding deferred compensation, stock options, and other distributions that receive special tax treatment as specified in Reg. ss. 1.415-2(d)(3). For Plan Years beginning after 1997, Compensation for this purpose will include salary reduction amounts under section 125 cafeteria plans and section 401(k), 403(b) and 457 plans. This definition shall be interpreted in a manner consistent with the requirements of section 415 of the Code.

ARTICLE IX
Top-Heavy Rules

9.1 General. This ARTICLE shall only be applicable if the Plan becomes a Top-Heavy Plan under section 416 of the Code. If the Plan does not become a Top-Heavy Plan, then none of the provisions of this ARTICLE shall be operative. The provisions of this ARTICLE shall be interpreted and applied in a manner consistent with the requirements of section 416 of the Code and the regulations thereunder.

9.2 Vesting.

(a) If the Plan becomes a Top-Heavy Plan, then amounts in a Participant's Account attributable to Matching Contributions shall be vested in accordance with this section, in lieu of ARTICLE V, to the extent this section produces a greater degree of vesting. This section shall only apply to Participants who have at least an Hour of Service after the Plan becomes a Top-Heavy Plan.

(b) If applicable, amounts in a Participant's Account attributable to Matching Contributions shall vest as follows:

Years of Top Heavy Service	Vested Percentage
Fewer than 3	0%
3 or more	100%

(c) If the Plan ceases to be a Top-Heavy Plan then subsection (b) shall no longer be applicable; provided, however, that in no event shall the vested percentage of any Participant be reduced by reason of the Plan ceasing to be a Top-Heavy Plan. Subsection (b) shall nevertheless continue to apply for any Participant who was previously covered by it and who has at least three (3) Years of Top-Heavy Service.

9.3 Minimum Contribution.

(a) For each Plan Year that the Plan is a Top-Heavy Plan, the Adopting Employers shall make a contribution to be allocated directly to the Account of each Non-Key Employee.

(b) The amount of the contribution (and forfeitures) required to be contributed and allocated for a Plan Year by this section is three percent (3%) of the Top-Heavy Compensation for that Plan Year of each Non-Key Employee who is both a Participant and an Employee on the last day of the Plan Year for which the contribution is made, with adjustments as provided herein. If the contribution allocated to the Accounts of each Key Employee for a Plan Year is less than three percent (3%) of his or her Top-Heavy Compensation, then the contribution required by the preceding sentence shall be reduced for that Plan Year to the same percentage of Top-Heavy Compensation that was allocated to the Account of the Key Employee whose Account received the greatest allocation of contributions for that Plan Year, when computed as a percentage of Top-Heavy Compensation.

(c) The contribution required by this section shall be reduced for a Plan Year to the extent of any Company Contributions made and allocated under this Plan or any other contributions from the Adopting Employers made and allocated under this or any other Aggregated Plans. Elective Deferrals shall be treated as if they were Company Contributions for purposes of determining any minimum contributions required under subsection (b).

9.4 Definitions.

(a) The following terms shall have the meanings specified herein:

(1) Aggregated Plans.

(A) The Plan, any plan that is part of a "required aggregation group" and any plan that is part of a "permissive aggregation group" that the Adopting Employers treat as an Aggregated Plan.

(B) The "required aggregation group" consists of each plan of the Adopting Employers in which a Key Employee participates (in the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years) and each other plan of the Adopting Employers which enables any plan of the Adopting Employers in which a Key Employee participates to meet the requirements of section 401(a)(4) or section 410(b) of the Code. Also included in the required aggregation group shall be any terminated plan that covered a Key Employee and was maintained within the five (5) year period ending on the Determination Date.

(C) The "permissive aggregation group" consists of any plan not included in the "required aggregation group" if the Aggregated Plan described in subparagraph (A) above would continue to meet the requirements of section 401(a)(4) and 410 of the Code with such additional plan being taken into account.

(2) Determination Date. The last day of the preceding Plan Year, or, in the case of the first plan year of any plan, the last day of such plan year. The computations made on the Determination Date shall utilize information from the immediately preceding Valuation Date.

(3) Key Employee.

(A) An Employee (or former Employee) who, at any time during the Plan Year containing the Determination Date or any of the four (4) preceding Plan Years, is:

(i) An officer of one of the Adopting Employers with annual Top-Heavy Compensation for the Plan Year greater than fifty percent (50%) of the amount in effect under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(ii) one of the ten (10) Employees owning (or considered as owning under section 318 of the Code) the largest interest in one of the Adopting Employers, who has more than one-half of one percent (.5%) interest in such Adopting Employer, and who has annual Top-Heavy Compensation for the Plan Year at least equal to the maximum dollar limitation under section 415(c)(1)(A) of the Code for the calendar year in which that Plan Year ends;

(iii) a five percent (5%) or greater shareholder in one of the Adopting Employers; or

(iv) a one percent (1%) shareholder in one of the Adopting Employers with annual Top-Heavy Compensation from the Adopting Employer of more than one hundred fifty thousand dollars ($150,000).

(B) For purposes of paragraphs (3)(A)(iii) and (3)(A)(iv), the rules of section 414(b), (c) and (m) of the Code shall not apply. Beneficiaries of an Employee shall acquire the character of such Employee and inherited benefits will retain the character of the benefits of the Employee who performed services.

(4) Non-Key Employee. Any Employee who is not a Key Employee.

(5) Super Top-Heavy Plan. A Top-Heavy Plan in which the sum of the present value of the cumulative accrued benefits and accounts for Key Employees exceeds ninety percent (90%) of the comparable sum determined for all Employees. The foregoing determination shall be made in the same manner as the determination of a Top-Heavy Plan under this section.

(6) Top-Heavy Compensation. The term Top-Heavy Compensation shal have the same meaning as the term Compensation has under section 8.5(b).

(7) Top-Heavy Plan. The Plan is a Top-Heavy Plan for a Plan Year if, as of the Determination Date for that Plan Year, the sum of (i) the present value of the cumulative accrued benefits for Key Employees under all Defined Benefit Plans that are Aggregated Plans and (ii) the aggregate of the accounts of Key Employees under all Defined Contribution Plans that are Aggregated Plans exceeds sixty percent (60%) of the comparable sum determined for all Employees.

(8) Years of Top-Heavy Service. The number of Years of Service with the Adopting Employers that might be counted under section 411(a) of the Code, disregarding all service that may be disregarded under section 411(a)(4) of the Code.

(b) The definitions in this section and the provisions of this ARTICLE shall be interpreted in a manner consistent with section 416 of the Code.

9.5 Special Rules.

(a) For purposes of determining the present value of the cumulative accrued benefit for any Participant or the amount of the Account of any Participant, such present value or amount shall be increased by the aggregate distributions made with respect to such Participant under the Plan during the Plan Year that includes the Determination Date and the four (4) preceding Plan Years (if such amounts would otherwise have been omitted).

(b) (1) In the case of unrelated rollovers and transfers, (i) the plan making the distribution or transfer is to count the distribution as a distribution under section 416(g)(3) of the Code, and (ii) the plan accepting the rollover or transfer is not to consider the rollover or transfer as part of the accrued benefit if such rollover or transfer was accepted after December 31, 1983, but is to consider it as part of the accrued benefit if such rollover or transfer was accepted before January 1, 1984. For this purpose, rollovers and transfers are to be considered unrelated if they are both initiated by the Employee and made from a plan maintained by one employer to a plan maintained by another employer.

(2) In the case of related rollovers and transfers, the plan making the distribution or transfer is not to count the distribution or transfer under section 416(g)(3) of the Code, and the plan accepting the rollover or transfer counts the rollover or transfer in the present value of the accrued benefits. For this purpose, rollovers and transfers are to be considered related if they are not unrelated under subsection (b)(1).

(c) If any individual is a Non-Key Employee with respect to any plan for any Plan Year, but such individual was a Key Employee with respect to such plan for any prior Plan Year, any accrued benefit for such Employee (and the account of such Employee) shall not be taken into account.

(d) Beneficiaries of Key Employees and former Key Employees are considered to be Key Employees and Beneficiaries of Non-Key Employees and former Non-Key Employees are considered to be Non-Key Employees.

(e) The accrued benefit of an Employee who has not performed any service for the Adopting Employer maintaining the Plan at any time during the five (5) year period ending on the Determination Date is excluded from the calculation to determine top-heaviness. However, if an Employee performs no services, such Employee's total accrued benefit is included in the calculation for top-heaviness.

9.6 Adjustment of Limitations.

(a) If this section is applicable, then the contribution and benefit limitations in section 8.5 shall be reduced. Such reduction shall be made by modifying section 8.5(a)(2)(A) of the definition of Defined Benefit Fraction to instead be "(i) the product of 1.0 multiplied by ninety thousand dollars ($90,000), or" and by modifying section 8.5(a)(4)(A) of the definition of Defined Contribution Fraction to instead be "(i) the product of 1.0 multiplied by thirty thousand dollars ($30,000), or".

(b) This section shall be applicable for any Plan Year in which either:

(1) the Plan is a Super Top-Heavy Plan, or

(2) the Plan both is a Top-Heavy Plan (but not a Super Top-Heavy Plan) and
provides contributions (and forfeitures) to the Account of any Non-Key Employee in an amount less than four percent (4%) of such Participant's Top-Heavy Compensation, as determined in accordance with section 9.3(b).

ARTICLE X
The Trust Fund

10.1 Trust. During the period in which this Plan remains in existence, the Company or any successor thereto shall maintain in effect a Trust with a corporation and/or individual(s) as Trustee, to hold, invest, and distribute the Trust Fund in accordance with the terms of such Trust.

10.2 Investment of Accounts. The Trustee shall invest and reinvest the Participant's accounts in investment options as defined in section 4.1 as directed by the Administrator or its delegate. The Administrator shall issue such directions in accordance with the investment options selected by the Participants which shall remain in force until altered in accordance with sections 4.2 and 4.3.

10.3 Expenses. Expenses of the Plan and Trust shall be paid from the Trust.

ARTICLE XI
Administration of The Plan

11.1 General Administration. The general administration of the Plan shall be the responsibility of the Company (or any successor thereto) which shall be the Administrator and named Fiduciary for purposes of ERISA. The Company shall have the authority, in its sole discretion, to construe the terms of the Plan and to make determinations as to eligibility for benefits and as to other issues within the "Responsibilities of the Administrator" described in this ARTICLE. All such determinations of the Company shall be conclusive and binding on all persons.

11.2 Responsibilities of the Administrator. Except as otherwise provided in ERISA, the Administrator (and any other named Fiduciaries) may allocate any duties and responsibilities under the Plan and Trust among themselves in any mutually agreed upon manner. Such allocation shall be in a written document signed by the Administrator (and any other named Fiduciaries) and shall specifically set forth this allocation of duties and responsibilities, which may include the following:

(a) Determination of all questions which may arise under the Plan with respect to questions of fact and law and eligibility for participation and administration of Accounts, including without limitation questions with respect to membership, vesting, loans, withdrawals, accounting, status of Accounts, stock ownership and voting rights, and any other issue requiring interpretation or application of the Plan.

(b) Reference of appropriate issues to the Offices of the Executive Vice President - Chief Financial Officer, the Senior Vice President Treasurer, the Director of Tax Affairs, the Vice President General Counsel, and the Vice President - Human Resources, respectively, for advice and counsel.

(c) Establishment of procedures required by the Plan, such as notification to Employees as to joining the Plan, selecting and changing investment options, suspending deferrals, exercising voting rights in stock, withdrawing and borrowing Account balances, designation of Beneficiaries, election of method of distribution, and any other matters requiring a uniform procedure.

(d) Submission of necessary amendments to supplement omissions from the Plan or reconcile any inconsistency therein.

(e) Filing appropriate reports with the government as required by law.

(f) Appointment of a Trustee or Trustees, Recordkeepers, and investment managers.

(g) Review at appropriate intervals of the performance of the Trustee and such investment managers as may have been designated.

(h) Appointment of such additional Fiduciaries as deemed necessary for the effective administration of the Plan, such appointments to be by written instrument.

11.3 Liability for Acts of Other Fiduciaries. Each Fiduciary shall be responsible only for the duties allocated or delegated to said Fiduciary, and other Fiduciaries shall not be liable for any breach of fiduciary responsibility with respect to any act or omission of any other Fiduciary unless:

(a) The Fiduciary knowingly participates in or knowingly attempts to conceal the act or omission of such other Fiduciary and knows that such act or omission constitutes a breach of fiduciary responsibility by the other Fiduciary;

(b) The Fiduciary has knowledge of a breach of fiduciary responsibility by the other Fiduciary and has not made reasonable efforts under the circumstances to remedy the breach; or

(c) The Fiduciary's own breach of his or her specific fiduciary responsibilities has enabled another Fiduciary to commit a breach. No Fiduciary shall be liable for any acts or omissions which occur prior to his or her assumption of Fiduciary status or after his or her termination from such status.

11.4 Employment by Fiduciaries. Any Fiduciary hereunder may employ, with the written approval of the Administrator, one or more persons to render service with regard to any responsibility which has been assigned to such Fiduciary under the terms of the Plan including legal, tax, or investment counsel and may delegate to one or more persons any administrative duties (clerical or otherwise) hereunder.

11.5 Recordkeeping. The Administrator shall keep or cause to be kept any necessary data required for determining the Account status of each Participant. In compiling such information, the Administrator may rely upon its employment records, including representations made by the Participant in the employment application and subsequent documents submitted by the Participant to the Employer. The Trustee shall be entitled to rely upon such information when furnished by the Administrator or its delegate. Each Employee shall be required to furnish the Administrator upon request and in such form as prescribed by the Administrator, such personal information, affidavits and authorizations to obtain information as the Administrator may deem appropriate for the proper administration of the Plan, including but not limited to proof of the Employee's date of birth and the date of birth of any person designated by a Participant as a Beneficiary.

11.6 Claims Review Procedure.

(a) The Administrator shall make all determinations as to the right of any person to Accounts under the Plan. Any such determination by the Administrator shall be made pursuant to the following procedure:

(1) Step 1. Claims with respect to an Account should be filed by a claimant as soon as practicable after the claimant knows or should know that a dispute has arisen with respect to an Account, but at least thirty (30) days prior to the claimant's actual retirement date or, if applicable, within sixty (60) days after the death, Disability or Severance from Service of the Participant whose Account is at issue, by mailing a copy of the claim to the Benefits and Services Department, Raytheon Company, 141 Spring Street, Lexington, Massachusetts 02173.

(2) Step 2. In the event that a claim with respect to an Account is wholly or partially denied by the Administrator, the Administrator shall, within ninety (90) days following receipt of the claim, so advise the claimant in writing setting forth: the specific reason or reasons for the denial; specific reference to pertinent Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim; an explanation as to why such material or information is necessary; and an explanation of the Plan's claim review procedure.

(3) Step 3. Within sixty (60) days following receipt of the denial of a claim with respect to an Account, a claimant desiring to have the denial appealed shall file a request for review with the Administrator by mailing a copy thereof to the address shown in subsection (a)(1).

(4) Step 4. Within thirty (30) days following receip of a request for review, the Administrator shall provide the claimant a further opportunity to present his or her position. At the Administrator's discretion, such presentation may be through an oral or written presentation. Prior to such presentation, the claimant shall be permitted the opportunity to review pertinent documents and to submit issues and comments in writing. Within a reasonable time following presentation of the claimant's position, which usually should not exceed thirty (30) days, the Administrator shall inform the claimant in writing of the decision on review setting forth the reasons for such decision and citing pertinent provisions in the Plan.

(b) The Administrator is the Fiduciary to whom the Plan grants full discretion, with the advice of counsel, to interpret the Plan; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter under the Plan which is raised by a claimant or identified by the Administrator. All questions arising from or in connection with the provisions of the Plan and its administration, not herein provided to be determined by the Board of Directors, shall be determined by the Administrator, and any determination so made shall be conclusive and binding upon all persons affected thereby.

11.7 Indemnification of Directors and Employees. The Adopting Employers shall indemnify by insurance or otherwise any Fiduciary who is a director, officer or Employee of the Employer, his or her heirs and legal representatives, against all liability and reasonable expense, including counsel fees, amounts paid in settlement and amounts of judgments, fines or penalties, incurred or imposed upon him in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of acts or omissions in his or her capacity as a Fiduciary hereunder, provided that such act or omission is not the result of gross negligence or willful misconduct. The Adopting Employers may indemnify other Fiduciaries, their heirs and legal representatives, under the circumstances, and subject to the limitations set forth in the preceding sentence, if such indemnification is determined by the Board of Directors to be in the best interests of the Adopting Employers.

11.8 Immunity from Liability. Except to the extent that section 410(a) of ERISA prohibits the granting of immunity to Fiduciaries from liability for any responsibility, obligation, or duty imposed under Title I, Subtitle B, Part 4, of said Act, an officer, Employee, member of the Board of Directors of the Employer or other person assigned responsibility under this Plan shall be immune from any liability for any action or failure to act except such action or failure to act which results from said officer's, Employee's, Participant's or other person's own gross negligence or willful misconduct.

ARTICLE XII
Amendment Or Termination Of Plan

12.1 Right to Amend or Terminate Plan. Each of the Adopting Employers reserves the right at any time or times, by action of its board of directors, to modify, amend or terminate the Plan in whole or in part as to its Employees, in which event a certified copy of the resolution of the board of directors, authorizing such modification, amendment or termination shall be delivered to the Trustee and to the other Adopting Employers whose Employees are covered by this Plan, provided, however, that no amendment to the Plan shall be made which shall:

(a) reduce any vested right or interest to which any Participant or Beneficiary is then entitled under this Plan or otherwise reduce the vested rights of a Participant in violation of section 411(d)(6) of the Code;

(b) vest in the Adopting Employers any interest or control over any assets of the Trust;

(c) cause any assets of the Trust to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries; or

(d) change any of the rights, duties or powers of the Trustee without its written consent.

(e) Notwithstanding the foregoing provisions of this section or any other provisions of this Plan, any modification or amendment of the Plan may be made retroactively if necessary or appropriate to conform the Plan with, or to satisfy the conditions of, ERISA, the Code, or any other law, governmental regulation or ruling. Any termination, modification or amendment of the Plan shall be subject to approval by the Board of Directors. In the alternative, subject to the conditions prescribed in subsections 12.1(a) through (e), the Plan may be amended by an officer of the Company authorized by the Board of Directors to amend the Plan, provided, however, that any such amendment does not, in the view of such officer, materially increase costs of the Plan to the Company or any Adopting Employer.

12.2 Amendment to Vesting Schedule. Any amendment that modifies the vesting provisions of ARTICLE IV shall either:

(a) provide for a rate of vesting that is at least as rapid for any Participant as the vesting schedule previously in effect; or

(b) provide that any adversely affected Participant with a Period of Service of at least three (3) years may elect, in writing, to remain under the vesting schedule in effect prior to the amendment. Such election must be made within sixty (60) days after the later of the:

(1) adoption of the amendment;

(2) effective date of the amendment; or

(3) issuance by the Company of written notice of the amendment.

12.3 Maintenance of Plan. The Company has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the Company is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time.

12.4 Termination of Plan and Trust. The Plan and Trust hereby created shall terminate upon the occurrence of any of the following events:

(a) Delivery to the Trustee of a notice of termination executed by the Company specifying the date as of which the Plan and Trust shall terminate; or

(b) Adjudication of the Company as bankrupt or general assignment by the Company to or for the benefit of creditors or dissolution of the Company.

12.5 Distribution on Termination.

(a) (1) If the Plan is terminated, or contributions permanently discontinued, an Adopting Employer, at its discretion, may (at that time or at any later time) direct the Trustee to distribute the amounts in a Participant's Account in accordance with the distribution provisions of the Plan. Such distribution shall, notwithstanding any prior provisions of the Plan, be made in a single lump-sum without the Participant's consent as to the timing of such distribution. If, however, an Adopting Employer (or an Affiliate) maintains another defined contribution plan (other than an employee stock ownership plan), then the preceding sentence shall not apply and the Adopting Employer, at its discretion, may direct such distributions to be made as a direct transfer to such other plan without the Participant's consent, if the Participant does not consent to an immediate distribution.

(2) If an Adopting Employer does not direct distribution under paragraph (1), each Participant's Account shall be maintained until distributed in accordance with the provisions of the Plan (determined without regard to this section) as though the Plan had not been terminated or contributions discontinued.

(b) If the Administrator determines that it is administratively impracticable to make distributions under this section in cash or that it would be in the Participant's best interest to make some or all of the distributions with in-kind property, it shall offer all Participants and Beneficiaries entitled to a distribution under this section a reasonable opportunity to elect to receive a distribution of the in-kind property being distributed by the Trust. Those Participants and Beneficiaries so electing shall receive a proportionate share of such in-kind property in the form (outright, in trust or in partnership) that the Administrator determines will provide the most feasible method of distribution.

(c) (1) Amounts attributable to elective contributions shall only be distributable by reason of this section if one of the following is applicable:

(A) the Plan is terminated without the establishment of a successor plan;

(B) an Adopting Employer has a sale or other disposition to an unrelated corporation of substantially all of the assets used by the Adopting Employer in a trade or business of the Adopting Employer with respect to an Employee who continues employment with the corporation acquiring such assets; or

(C) an Adopting Employer has a sale or other disposition to an unrelated entity of the Adopting Employer's interest in a subsidiary with respect to an Employee who continues employment with such subsidiary.

(2) For purposes of this section, the term "elective contributions" means employer contributions made to the Plan that were subject to a cash or deferred election under a cash or deferred arrangement.

(3) Elective contributions are distributable under subsections (c)(1)(B) and (C) above only if the Adopting Employers continue to maintain the Plan after the disposition.

ARTICLE XIII
Additional Provisions

13.1 Effect of Merger, Consolidation or Transfer. In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan or to this Plan, each Participant of the Plan shall be entitled to a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had been terminated).

13.2 Necessity of Initial Qualification. This Plan is established with the intent that it shall qualify under sections 401(a) and 401(k) of the Code as those sections exist at the time the Plan is established. If the Internal Revenue Service determines that the Plan initially fails to meet those requirements, then within thirty (30) days after the date of such determination, all of the assets of the Trust Fund held for the benefit of Participants and their Beneficiaries shall be distributed equitably among the contributors to the Plan in proportion to their contributions, and the Plan shall be considered to be rescinded and of no force or effect, unless such inadequacy is removed by a retroactive amendment pursuant to the Code. Any nonvested Matching Contributions and earnings attributable thereto shall be returned to the Adopting Employers.

13.3 No Assignment.

(a) Except as provided herein, the right of any Participant or Beneficiary to any benefit or to any payment hereunder shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind.

(b) Subsection (a) shall not apply to any payment or transfer permitted by the Internal Revenue Service pursuant to regulations issued under section 401(a)(13) of the Code.

(c) Subsection (a) shall not apply to any payment or transfer pursuant to a Qualified Domestic Relations Order.

(d) Subsection (a) shall not apply to any payment or transfer to the Trust in accordance with section 401(a)(13)(C) of the Code to satisfy the Participant's liabilities to the Plan or Trust in any one or more of the following circumstances:

(1) the Participant is convicted of a crime involving the Plan;

(2) a civil judgment (or consent order or decree) in an action is brought against the Participant in connection with an ERISA fiduciary violation; or

(3) the Participant enters into a settlement agreement with the Department of Labor or the Pension Benefit Guaranty Corporation over an ERISA fiduciary violation.

13.4 Limitation of Rights of Employees. This Plan is strictly a voluntary undertaking on the part of the Adopting Employers and shall not be deemed to constitute a contract between any of the Adopting Employers and any Employee, or to be a consideration for, or an inducement to, or a condition of the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of any of the Adopting Employers or shall interfere with the right of any of the Adopting Employers to discharge or otherwise terminate the employment of any Employee of an Adopting Employer at any time. No Employee shall be entitled to any right or claim hereunder except to the extent such right is specifically fixed under the terms of the Plan.

13.5 Construction. The provisions of this Plan shall be interpreted and construed in accordance with the requirements of the Code and ERISA. Any amendment or restatement of the Plan or Trust that would otherwise violate the requirements of section 411(d)(6) of the Code or otherwise cause the Plan or Trust to cease to be qualified under section 401(a) of the Code shall be deemed to be invalid. Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine and vice versa, as appropriate. References to "section" or "ARTICLE" shall be read as references to appropriate provisions of this Plan, unless otherwise indicated.

13.6 Company Determinations. Any determinations, actions or decisions of the Company (including but not limited to, Plan amendments and Plan termination) shall be made by its Board of Directors in accordance with its established procedures or by such other individuals, groups or organizations that have been properly delegated by the Board of Directors to make such determination or decision.

13.7 Governing Law. This Plan shall be governed by, construed and administered in accordance with ERISA and any other applicable federal law; provided, however, that to the extent not preempted by federal law, this Plan shall be governed by, construed and administered under the laws of the Commonwealth of Massachusetts, other than its laws respecting choice of law.

ARTICLE XIV
Definitions

The following terms have the meaning specified below unless the context indicates otherwise:

14.1 Account. The entire interest of a Participant in the Trust Fund. A Participant's Account shall consist of an Elective Deferral Account, a Matching Contribution Account and, where applicable, a Rollover Contribution Account and a Qualified Nonelective Contribution Account.

14.2 Administrator. The person, persons, corporation, committee, group or organization designated to be the Administrator of the Plan and to perform the duties of the Administrator. Until and unless otherwise designated, the Administrator shall be the Company.

14.3 Adopting Employers. Any corporation that elects through an authorized officer to participate in the Plan on account of its Employees, provided that participation in the Plan by such corporation is approved by the Board of Directors, or an officer to whom authority to approve participation by a corporation is delegated by the Board of Directors, but shall not include any division, operation or similar cohesive group of the adopting corporation excluded by the Board of Directors. The Adopting Employers shall be listed in Exhibit A attached to this Plan.

14.4 Affiliate. A trade or business that, together with an Adopting Employer, is a member of (i) a controlled group of corporations within the meaning of section 414(b) of the Code; (ii) a group of trades or businesses (whether or not incorporated) under common control as defined in section 414(c) of the Code, or (iii) an affiliated service group as defined in section 414(m) of the Code, or which is an entity otherwise required to be aggregated with the Adopting Employer pursuant to section 414(o) of the Code. For purposes of ARTICLE VIII, the determination of controlled groups of corporations and trades or businesses under common control shall be made after taking into account the modification required under section 415(h) of the Code. All such entities, whether or not incorporated, shall be treated as a single employer to the extent required by the Code.

14.5 Authorized Leave of Absence. An absence approved by the Adopting Employers on a uniform and nondiscriminatory basis not exceeding one (1) year for any of the following reasons: illness of an Employee or a relative, the death of a relative, education of the Employee, or personal or family business of an extraordinary nature, provided in each case that the Employee returns to the service of the Adopting Employers within the time period specified by the Adopting Employers.

14.6 Beneficiary. The person or persons (including a trust or trusts) who are entitled to receive benefits from a deceased Participant's Account after such Participant's death (whether or not such person or persons are expressly so designated by the Participant). If a married Participant designates a Beneficiary other than his or her spouse, said designation shall not take effect unless the spouse consents in writing to such designation and said spousal consent acknowledges the effect of said designation and is witnessed by a representative of the Plan or a notary public. Said spousal consent shall be effective only with respect to the spouse granting such consent, and shall not be required if the Participant can establish that there is no spouse, that the spouse cannot be located, or that other conditions exist as may be prescribed by regulations issued by the Secretary of the Treasury. If there is no Beneficiary designated by the Participant or surviving at the death of the Participant, payment of his or her Account shall be made in accordance with section 6.6. Subject to the foregoing, a Participant may designate a new Beneficiary at any time by filing with the Administrator a written request for such change on a form prescribed by the Administrator. Such change shall become effective only upon receipt of the form by the Administrator, but upon such receipt of the change shall relate back to and take effect as of the date the Participant signed such request, whether or not the Participant is living at the time of such receipt, provided, however, that neither the Trustee nor the Administrator shall be liable by reason of any payment of the Participant's Account made before receipt of such form. If a Beneficiary entitled to payment was the spouse or former spouse of the deceased Participant and payment will otherwise be made in an Eligible Rollover Distribution, then such spouse or former spouse may elect that all, or any portion of, such payment shall instead be transferred as a Direct Rollover. Such Direct Rollover shall be governed by the requirements of section 6.11.

14.7 Board of Directors. The Board of Directors of Raytheon Company.

14.8 Business Day. Days on which the Recordkeeper is able to make transfers.

14.9 Code. The Internal Revenue Code of 1986, as amended.

14.10 Common Stock. Raytheon Company Class B common stock.

14.11 Company. Raytheon Company.

14.12 Compensation.

(a) The aggregate amount paid by the Employer to a Participant as regular base salary, including amounts authorized by the Participant to be deferred from his Compensation and contributed by the Employer under section 3.3, as well as amounts paid as commissions, military pay differential, and under the Hughes Annual Incentive Plan, the Hughes Salary Adjustment Plan, the Hughes Supplemental Compensation Plan, awards under the Hughes Subsidiary Incentive Plan not in excess of the target award (or any successor plans of the foregoing), but without inclusion of any overtime compensation, shift differentials, foreign service premiums (including mobility allowances), per diem, royalties, payments in lieu of vacation, benefits from the Hughes Transition Pay Plan, the Hughes Supplemental Employee Retirement Plan, the Hughes Long-Term Performance Plan, and amounts deferred by a Participant to the flexible spending account in an Employer cafeteria plan under section 125 of the Code, or other payments of like nature, subject to the following:

(b) The Compensation of each Employee for any year shall be deemed to not exceed one hundred fifty thousand dollars ($150,000); provided, however, that this limit shall be adjusted in the same manner and at the same time as under section 415(d) of the Code, in accordance with regulations under section 401(a)(17) of the Code. Compensation for Highly-Compensated Employees shall be determined in accordance with the provisions of section 14.25.

(c) Unless otherwise indicated herein, Compensation shall be determined only on the basis of amounts paid during the Plan Year, including any Plan Year with a duration of fewer than twelve (12) months.

(d) The Compensation of a person who becomes a Participant during the Plan Year shall only include amounts paid after the date on which such person was admitted as a Participant.

14.13 Current Market Value. The closing price of the Common Stock on the New York Stock Exchange on the Business Day immediately preceding the Business Day on which the Common Stock is allocated to the Participants' Accounts in accordance with the terms of the Plan.

14.14 Disability. Any medically determinable physical disorder that renders a Participant incapable of engaging in any occupation for compensation or profit. The determination of Disability shall be made by the Administrator with the aid of competent medical advice. It shall be based on such evidence as the Administrator deems necessary to establish Disability or the continuation thereof.

14.15 Effective Date. December 18, 1997.

14.16 Elective Deferral. A voluntary reduction of a Participant's Compensation in accordance with section 3.3 hereof that qualifies for treatment under section 402(e)(3) of the Code. A Participant's election to make Elective Deferrals may be made only with respect to an amount that the Participant could otherwise elect to receive in cash and that is not currently available to the Participant.

14.17 Elective Deferral Account. That portion of a Participant's Account which is attributable to Elective Deferrals, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.18 Eligible Employee. A person who is a Salaried Employee of an Adopting Employer who:

(a) is a United States Citizen or resident;

(b) is not employed in a position or classification within a bargaining unit which is covered by a collective bargaining agreement with respect to which retirement benefits were the subject of good faith bargaining (unless such agreement provides for coverage hereunder of employees of such unit);

(c) is not assigned on the books and records of the Employer to any division, operation or similar cohesive group of an Adopting Employer that is excluded from participation in the Plan by the Board of Directors; and

(d) is not a Leased Employee or any other person who performs services for an Adopting Employer other than as an Employee.

14.19 Employee. Except to the extent otherwise provided herein, any person employed by the Employer who is expressly so designated as an Employee on the books and records of the Employer and who is treated as such by the Employer for federal employment tax purposes. Any person who, after the close of a Plan Year, is retroactively treated by the Employer or any other party as an Employee for such prior Plan Year shall not, for purposes of the Plan, be considered an Employee for such prior Plan Year unless expressly so treated as such by the Employer.

14.20 Employee After-Tax Contributions. Voluntary contributions made by Participants on an after-tax basis. Employee After-Tax Contributions are not permitted under the Plan.

14.21 Employer. An Adopting Employer and any Affiliate thereof (whether or not such Affiliate has elected to participate in the Plan).

14.22 Employment Commencement Date. The date on which an individual first performs an Hour of Service with the Employer.

14.23 ERISA. The Employee Retirement Income Security Act of 1974, a

14.24 Fiduciary. Any person who exercises any discretionary authority or discretionary control over the management of the Plan, or exercises any authority or control respecting management or disposition of Plan assets; who renders investment advice for a fee or other compensation, direct or indirect, as to assets held under the Plan, or has any authority or discretionary responsibility in the administration of the Plan. This definition shall be interpreted in accordance with section 3(21) of ERISA.

14.25 Highly Compensated Employee

(a) Any Employee who:

(1) is a five percent (5%) owner at any time during the Plan Year or the preceding Plan Year; or

(2) for the preceding Plan Year:

(A) received Compensation in excess of the amount specified in section 414(q)(1)(B)(i) of the Code; and

(B) if the Adopting Employers so elect, in accordance with section 414(q)(1)(B)(ii) of the Code, was a member of the Top-Paid Group for such preceding Plan Year.

(b) A former Employee will be treated as a Highly Compensated Employee if the former Employee was a Highly Compensated Employee at the time of his or her separation from service or the former Employee was a Highly Compensated Employee at any time after attaining age fifty-five (55).

(c) The term "Top-Paid Group" for any year includes Employees in the group of Employees specified in section 414(q)(5) of the Code, which consists of the top twenty percent (20%) of Employees when ranked on the basis of Compensation paid during such year.

(d) In determining the number of Employees in the Top-Paid Group taken into account under subsection (c) of this section, nonresident aliens with no earned income from the Adopting Employers that constitutes income from sources within the United States shall not be treated as Employees and (unless the Adopting Employers elect otherwise) the following Employees shall be excluded:

(1) Employees with fewer than six (6) months of service;

(2) Employees who normally work fewer than seventeen and one-half (17 1/2) hours per week;

(3) Employees who normally work during not more than six (6) months during the year;

(4) Employees who have not attained age twenty-one (21); and

(5) (except to the extent permitted by regulation) Employees who are included in a unit of Employees covered by a collective bargaining agreement with one of the Adopting Employers.

(e) The dollar amounts incorporated under subsection (a)(2)(A) shall be adjusted as provided in section 414(q)(1) of the Code.

(f) For purposes of this section, the term "Compensation" means compensation as defined under section 414(q)(4) of the Code.

(g) This section shall be interpreted in a manner consistent with section 414(q) of the Code and the regulations thereunder and shall be interpreted to permit any elections permitted by such regulations to be made.

14.26 Hour of Service.

(a) Any hour for which any person is directly or indirectly paid (or entitled to payment) by the Employer for the performance of duties as an Employee, as determined from the appropriate records of the Employer.

(b) In computing Hours of Service, a person shall also be credited with Hours of Service based on the person's previous customary service with the Employer (not exceeding either eight (8) hours per day or forty (40) hours per week), for the following periods:

(1) eriods (limited to a maximum of five hundred one (501) hours for any single, continuous period) for which the person is directly or indirectly paid for reasons other than the performance of duties, such as vacation, holiday, sickness, disability, layoff, jury duty or military duty;

(2) periods for which any federal law requires that credit for service be given; and

(3) periods for which back pay (irrespective of mitigation of damages) is either awarded or agreed to by the Employer.

(c) Hours of Service shall also include each hour for which an Employee is entitled to credit under subsection (a) as a result of employment with:

(1) a predecessor company substantially all the assets of which have been acquired by the Company, provided that where only a portion of the operations of a company has been acquired, only service with said acquired portion prior to the acquisition will be included and that the Employee was employed by said predecessor company at the time of acquisition; or

(2) a division, operation or similar cohesive group of the Employer excluded from participation in the Plan.

(d) The provisions of subsection (b) shall be further limited to prevent duplication by only permitting a person to receive credit for one (1) Hour of Service for any given hour.

(e) Hours of Service shall be computed and credited in accordance with the Department of Labor regulations under section 2530.200b.

14.27 Layoff. An involuntary interruption of service due to reduction of work force with or without the possibility of recall to employment when conditions warrant.

14.28 Leased Employee. Any person (other than an Employee) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or any related person as provided in section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one (1) year and such services are performed under primary direction or control of the Employer. Leased Employees are not eligible to participate in the Plan.

14.29 Matching Contribution. Contribution made to the Trust in accordance with section 3.1 hereof.

14.30 Matching Contribution Account. That portion of Participant's Account which is attributable to Matching Contributions by the Adopting Employers, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.31 Net Annual Profits. The current earnings of the Adopting Employers for the Plan Year determined in accordance with generally accepted accounting principles before federal and local income taxes and before contributions to this Plan or any other qualified plan.

14.32 Net Profits. The accumulated earnings of the Adopting Employers at the end of the Plan Year determined in accordance with generally accepted accounting principles. For the purposes hereof "accumulated earnings at the end of the Plan Year" shall include Net Annual Profits for such Plan Year calculated before any deduction is taken for depreciation, if any.

14.33 Nonforfeitable. An unconditional right to an Account balance or portion thereof determined as of the applicable date of determination under this Plan.

14.34 Non-Highly Compensated Work Force. The aggregate number of individuals (other than Highly Compensated Employees) who are:

(a) Employees of the Employer (other than Leased Employees) who have performed services for the Employer on a substantially full-time basis for a period of at least one (1) year; and

(b) Leased Employees.

14.35 Normal Retirement Age. The Participant's sixty-fifth (65th) birthday.

14.36 Participant. An individual who is enrolled in the Plan pursuant to ARTICLE II and has not received a distribution of all of the funds credited to his or her Account (or had such funds fully forfeited). In the case of an Eligible Employee who makes a Rollover Contribution to the Plan under section 3.7(a)(6) prior to enrollment under ARTICLE II, such Eligible Employee shall, until he or she enrolls under ARTICLE II, be considered a Participant for the limited purposes of maintaining and receiving his or her Rollover Contribution Account under the terms of the Plan.

14.37 Pay Period. A scheduled period for payment of wages or salaries.

14.38 Period of Participation. That portion of a Period of Service during which the Eligible Employee was a Participant, and had an Elective Deferral Account in the Plan. For the purpose of determining a Period of Participation, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one of its affiliates (other than a joint venture that has adopted this Plan) after the Effective Date and before December 1, 1998, and who become Participants as of the Effective Date or the date of transfer, as applicable, shall be credited with their participation in such plan.

14.39 Period of Service. The period of time beginning on the Employee's Employment Commencement Date or Reemployment Commencement Date, whichever is applicable, and ending on the Employee's Severance from Service Date. For the purpose of determining a Period of Service, former employees of Hughes Electronics Corporation and its subsidiaries who were participants in the Hughes Thrift and Savings Plan immediately before the Effective Date or the date transferred to an Adopting Employer from General Motors Corporation or one of its affiliates (other than a joint venture that has adopted this Plan) after the Effective Date and before December 1, 1998, and who become Participants as of the Effective Date or the date of transfer, as applicable, shall be credited with their years of service credited under such plan.

14.40 Period of Severance. The period of time beginning on the Employee's Severance from Service Date and ending on the Employee's Reemployment Commencement Date.

14.41 Plan. The Raytheon Savings and Investment Plan (10014) as amended from time to time.

14.42 Plan Year. The first Plan Year shall begin on the Effective Date and end December 31, 1997. Thereafter, the Plan Year shall be the annual twelve-(12) month period beginning on January 1 of each year and ending on December 31 of each year.

14.43 Qualified Military Service. Any period of duty on a voluntary or involuntary basis in the United States Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty for training or full-time National Guard duty, the commissioned corps of the Public Health Service and any other category of persons designated by the President of the United States in time of war or emergency. Such periods of duty shall include active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty and absence from employment for an examination to determine fitness for such duty.

14.44 Qualified Nonelective Contributions. Any contribution by the Adopting Employers to the Trust pursuant to section 3.2. Qualified Nonelective Contributions are one hundred percent (100%) vested when made and are distributable as provided herein, but in no event before the earlier of:

(a) the Participant's Severance from Service, death or Disability;

(b) the Participant's attainment of age fifty-nine and one-half (59 1/2);

(c) the termination of the Plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan);

(d) the disposition of substantially all of the assets used by the Adopting Employers in a trade or business of the Adopting Employers but only with respect to an Employee who continues employment with the entity acquiring such assets; or

(e) the disposition of the Adopting Employers' interest in a subsidiary, but only with respect to an Employee who continues employment with such subsidiary.

14.45 Qualified Nonelective Contribution Account. That portion of a Participant's Account which is attributable to Qualified Nonelective Contributions received pursuant to section 3.2, adjusted for withdrawals and distributions, and the earnings and losses attributable thereto.

14.46 Recordkeeper. The organization designated by the Administrator to be the recordkeeper for the Plan. Until and unless otherwise designated, the Recordkeeper shall be Fidelity Investments.

14.47 Reemployment Commencement Date. The first date on which the Employee performs an Hour of Service following a Period of Severance which is excluded under section 5.3 in determining whether a Participant has a Nonforfeitable right to his or her Matching Contribution Account.

14.48 Retirement. A Severance from Service when the Participant has either attained age 55 and completed a Period of Service of at least ten (10) years or has attained Normal Retirement Age.

14.49 Rollover Contributions. A transfer that qualifies under either section 402(c) or 403(a)(4) of the Code.

14.50 Rollover Contribution Account. That portion of a Participant's Account which is attributable to Rollover Contributions received pursuant to section 3.7, adjustments for withdrawals and distributions, and the earnings and losses attributable thereto.

14.51 Severance from Service. The termination of employment by reason of quit, Retirement, discharge, death or failure to return from Layoff, Authorized Leave of Absence, Qualified Military Service or Disability.

14.52 Severance from Service Date. The earliest of:

(a) the date on which an Employee resigns, retires, is discharged, or dies; or

(b) except as provided in paragraphs (c), (d), (e) and (f) hereof, the first anniversary of the first date of a period during which an Employee is absent for any reason other than resignation, retirement, discharge or death, provided that, on an equitable and uniform basis, the Administrator may determine that, in the case of a Layoff as the result of a permanent plant closing, the Administrator may designate the date of Layoff or other appropriate date prior to the first anniversary of the first date of absence as the Severance from Service Date; or

(c) in the case of a Qualified Military Service leave of absence from which the Employee does not return prior to expiration of recall rights, Severance from Service Date means the first day of absence because of the leave; or

(d) in the case of an absence due to Disability, Severance from Service Date means the earlier of the first anniversary of the first day of absence because of the Disability or the date of termination of the Disability; or

(e) in the case of an Employee who is discharged or resigns (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, "Severance from Service Date, for the sole purpose of determining the length of a Period of Service, shall mean the first anniversary of the resignation or discharge; or

(f) in the case of an Employee who is absent from service beyond the first anniversary of the first day of absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child to the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement, the Severance from Service Date shall be the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence is neither a Period of Service nor a Period of Severance.

14.53 Surviving Spouse. A lawful spouse surviving the Participant as of the date of the Participant's death.

14.54 Trust. The Raytheon Company Master Trust for Defined Contribution Plans and any successor agreement made and entered into for the establishment of a trust fund of all contributions which may be made to the Trustee under the Plan.

14.55 Trustee. The Trustee and any successor trustees under the Trust.

14.56 Trust Fund. The cash, securities, and other property held by the Trustee for the purposes of the Plan.

14.57 Valuation Date. The last day of each Plan Year. The Administrator may, in is sole discretion, establish additional Valuation Dates, up to and including daily valuations.

EXHIBIT A

ADOPTING EMPLOYERS PARTICIPATING IN
RAYTHEON SAVINGS AND INVESTMENT PLAN (10014)
As of December 18, 1997
(Unless Indicated Otherwise)

Raytheon Systems Georgia, Inc.

Raytheon Systems Mississippi, Inc.

Raytheon Systems South Carolina, Inc.

Raytheon Technical Services Company (limited to selected groups of employees)

EXHIBIT 5.1

Raytheon Company
Executive Offices
141 Spring Street
Lexington, MA 02173
Tel 781.860.2103
Fax 781.860.3899

RAYTHEON

John W. Kapples
Assistant General Counsel

June 5, 1998

Raytheon Company
141 Spring Street
Lexington, MA 02173

Re: Registration Statement on Form S-8 under the Securities Act of 1933, as amended

Ladies and Gentlemen:

I am Assistant General Counsel to Raytheon Company, a Delaware corporation (the "Company"), and as such, I, and other attorneys in this office, have participated with the Company in the preparation for filing with the Securities and Exchange Commission (the "Commission") of a Registration Statement on Form S-8 (the "Registration Statement") covering [1,000,000] shares (the "Shares") of the Company's Class B Common Stock, par value $.01 per share, as well as an indeterminate amount of related interests (the "Interests") in the Raytheon Savings and Investment Plan, Raytheon Savings and Investment Plan for Specified Hourly Payroll Employees, Raytheon Employee Savings and Investment Plan, Raytheon Savings and Investment Plan for Specified Puerto Rico Employees, E-Systems Employee Savings Plan, Raytheon TI Systems Savings Plan, Raytheon Salaried Savings and Investment Plan, Raytheon California Hourly Savings and Investment Plan, Raytheon Tucson Bargaining Savings and Investment Plan, Raytheon Savings and Investment Plan (10014) (collectively, the "Plans"), which Shares and Interests may hereafter be acquired by participants ("Participants") in the Plans. In connection with filing the Registration Statement, the rules and regulations of the Commission require my opinion, in my capacity as Assistant General Counsel of the Company, on the matters set forth below.

In rendering this opinion, I, and other attorneys in this office, have examined and relied upon originals or copies, certified or otherwise, of all such corporate records, documents, agreements or other instruments of the Company, and have made such investigation of law and have discussed with the officers of the Company such questions of fact as we have deemed necessary or appropriate. In rendering this opinion, I have relied upon certificates and statements of officers and directors of the Company as to factual matters, and have assumed the genuiness of all documents submitted as copies.

Based upon and subject to the foregoing, I am of the opinion that the Shares will be, upon the issuance thereof pursuant to the terms of the respective Plans, legally issued, fully paid and non-assessable.

I am also of the opinion that the respective Plans confer valid Interests upon Participants, to the extent and upon the terms and conditions described in such Plans.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ John W. Kapples
John W. Kapples

JWK/jmh

EXHIBIT 5.2

RAYTHEON COMPANY
INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: July 18, 1995

Employer Identification Number:
04-1760395
File Folder Number:
043001891
Person to Contact:
ROSE DESROCHER
Contact Telephone Number:
(203) 258-2024
Plan Name:
RAYTHEON SAVINGS AND INVESTMENT PLAN
Plan Number: 010

RAYTHEON COMPANY
C/O STEPHEN PAVLICK, ESQ.
MCDERMOTT, WILL & EMERY
1850 K STREET, NW
WASHINGTON, DC 20006

Dear Applicant:

We have made a favorable determination on your plan, identified above, based on the information supplied. Please keep this letter in your permanent records.

Continued qualification of the plan under its present form will depend on its effect in operation. (See section 1.401-1(b)(3) of the Income Tax Regulations.) We will review the status of the plan in operation periodically.

The enclosed document explains the significance of this favorable determination letter, points out some features that may affect the qualified status of your employee retirement plan, and provides information on the reporting requirements for your plan. It also describes some events that automatically nullify it. It is very important that you read the publication.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated December 30, 1994. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code Section 401(b).

This determination is also subject to your adoption of the proposed amendments submitted in your letter(s) dated June 1, 1995. These proposed amendments should also be adopted on or before the date prescribed by the regulations under Code Section 401(b).

This plan has been mandatorily disaggregated, permissively aggregated, or restructured to satisfy the nondiscrimination requirements.

This plan satisfies the nondiscrimination in amount requirement of section 1.401(a)(4)-1(b)(2) of the regulations on the basis of a design-based safe harbor described in the regulations.

This letter is issued under Rev. Proc. 93-39 and considers the amendments required by the Tax Reform Act of 1986 except as otherwise specified in this letter.

This plan satisfies the nondiscriminatory current availability requirements of section 1.401(a)(4)-4(b) of the regulations with respect to those benefits, rights, and features that are currently available to all employees in the plan's coverage group. For this purpose, the plan's coverage group consists of those employees treated as currently benefiting for purposes of demonstrating that the plan satisfies the minimum coverage requirements of section 410(b) of the Code.

This letter may not be relied upon with respect to whether the plan satisfies the qualification requirements as amended by the Uruguay Round Agreements Act: Pub.L. 103-465.

We have sent a copy of this letter to your representative as indicated in the power of attorney.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Herbert J. Huff
District Director

Enclosures:
Publication 794
Reporting & Disclosure Guide
For Employee Benefit Plans

EXHIBIT 5.3

RAYTHEON COMPANY
INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: June 21, 1995

Employer Identification Number:
04-1760395
File Folder Number:
043001891
Person to Contact:
ROSE DESROCHER
Contact Telephone Number:
(203) 258-2024
Plan Name:
RAYTHEON SAVINGS AND INVESTMENT PLAN FOR SPECIFIED HOURLY PAYROLL EMPLOYEES
Plan Number: 009

RAYTHEON COMPANY
C/O STEPHEN PAVLICK, ESQ.
MCDERMOTT, WILL & EMERY
1850 K STREET, NW
WASHINGTON, DC 20006

Dear Applicant:

We have made a favorable determination on your plan, identified above, based on the information supplied. Please keep this letter in your permanent records.

Continued qualification of the plan under its present form will depend on its effect in operation. (See section 1.401-1(b)(3) of the Income Tax Regulations.) We will review the status of the plan in operation periodically.

The enclosed document explains the significance of this favorable determination letter, points out some features that may affect the qualified status of your employee retirement plan, and provides information on the reporting requirements for your plan. It also describes some events that automatically nullify it. It is very important that you read the publication.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated December 30, 1994. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code Section 401(b).

This determination is also subject to your adoption of the proposed amendments submitted in your letter(s) dated June 1, 1995. These proposed amendments should also be adopted on or before the date prescribed by the regulations under Code Section 401(b).

This plan satisfies the minimum coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) of the Code because the plan benefits only collectively bargained employees or employees treated as collectively bargained employees.

This letter is issued under Rev. Proc. 93-39 and considers the amendments required by the Tax Reform Act of 1986 except as otherwise specified in this letter.

This letter may not be relied upon with respect to whether the plan satisfies the qualification requirements as amended by the Uruguay Round Agreements Act: Pub.L. 103-465.

We have sent a copy of this letter to your representative as indicated in the power of attorney.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Herbert J. Huff
District Director

Enclosures:
Publication 794
Reporting & Disclosure Guide
for Employee Benefit Plans

EXHIBIT 5.4

RAYTHEON COMPANY
INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: June 21, 1995

Employer Identification Number:
04-1760395
File Folder Number:
043001891
Person to Contact:
ROSE DESROCHER
Contact Telephone Number:
(203) 258-2024
Plan Name:
RAYTHEON EMPLOYEE SAVINGS AND INVESTMENT PLAN
Plan Number: 013

RAYTHEON COMPANY
C/O STEPHEN PAVLICK, ESQ.
MCDERMOTT, WILL & EMERY
1850 K STREET, NW
WASHINGTON, DC 20006

Dear Applicant:

We have made a favorable determination on your plan, identified above, based on the information supplied. Please keep this letter in your permanent records.

Continued qualification of the plan under its present form will depend on its effect in operation. (See section 1.401-1(b)(3) of the Income Tax Regulations.) We will review the status of the plan in operation periodically.

The enclosed document explains the significance of this favorable determination letter, points out some features that may affect the qualified status of your employee retirement plan, and provides information on the reporting requirements for your plan. It also describes some events that automatically nullify it. It is very important that you read the publication.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated December 30, 1994. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code Section 401(b).

This determination is also subject to your adoption of the proposed amendments submitted in your letter(s) dated June 1, 1995. These proposed amendments should also be adopted on or before the date prescribed by the regulations under Code Section 401(b).

This plan satisfies the nondiscrimination in amount requirement of section 1.401(a)(4)-1(b)(2) of the regulations on the basis of a design-based safe harbor described in the regulations.

This letter is issued under Rev. Proc. 93-39 and considers the amendments required by the Tax Reform Act of 1986 except as otherwise specified in this letter.

This plan satisfies the nondiscriminatory current availability requirements of section 1.401(a)(4)-4(b) of the regulations with respect to those benefits, rights, and features that are currently available to all employees in the plan's coverage group. For this purpose, the plan's coverage group consists of those employees treated as currently benefiting for purposes of demonstrating that the plan satisfies the minimum coverage requirements of section 410(b) of the Code.

This letter may not be relied upon with respect to whether the plan satisfies the qualification requirements as amended by the Uruguay Round Agreements Act: Pub.L. 103-465.

We have sent a copy of this letter to your representative as indicated in the power of attorney.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Herbert J. Huff
District Director

Enclosures:
Publication 794
Reporting & Disclosure Guide
For Employee Benefit Plans

EXHIBIT 5.5

DISTRICT DIRECTOR
P. O. BOX 2506
CINCINNATI, OH 45201

Date:

Employer Identification Number:
75-1183105
DLN:
756285003

RAYTHEON E-SYSTEMS, INC.
6250 LBJ FREEWAY
DALLAS, TX 75240

Person to Contact:
CINDY PERRY
Contact Telephone Number:
(513) 241-5199
Plan Name:
E-SYSTEMS INC EMPLOYEE
SAVINGS PLAN
Plan Number: 022

Dear Applicant:

We have made a favorable determination on your plan, identified above, based on the information supplied. Please keep this letter in your permanent records.

Continued qualification of the plan under its present form will depend on its effect in operation. (See section 1.401-1(b)(3) of the Income Tax Regulations.) We will review the status of the plan in operation periodically.

The enclosed document explains the significance of this favorable determination letter, points out some events that may affect the qualified status of your employee retirement plan, and provides information on the reporting requirements for your plan. It also describes some events that automatically nullify it. It is very important that you read the publication.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination letter is applicable for the amendment(s) adopted on 12-22-95 & 06-04-96.

This determination letter does not apply to the merger, consolidation, or transfer of assets or liabilities of a plan described in Code section 6058(a) to, or with, another plan, or to whether requirements of the income tax regulations under Code section 414(1) have been met. This is only a determination as to the qualification of the plan.

This plan has been mandatorily disaggregated, permissively aggregated, or restructured to satisfy the nondiscrimination requirements.

This plan satisfies the minimum coverage requirements on the basis of the average benefit test in section 410(b)(2) of the Code.

This plan satisfies the nondiscrimination in amount requirement of section 1.401(a)(4)-1(b)(2) of the regulations on the basis of the design-based safe harbor described in the regulations.

This letter is issued under Rev. Proc. 93-39 and considers the amendments required by the Tax Reform Act of 1986 except as otherwise specified in this letter.

Except as otherwise specified this letter may not be relied upon with respect to whether the plan satisfies the qualification requirements as amended by the Uruguay Round Agreements Act, Pub. L. 103-465 and by the Small Business Job Protection Act of 1996 (SBJPA), Pub. L. 104-106, other than the requirements of Code section 401(a)(25).

The information on the enclosed addendum is an integral part of this determination. Please be sure to read and keep it with this letter.

We have sent a copy of this letter to our representative as indicated in the power of attorney.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely yours,

District Director

Enclosures:
Publication 794
Reporting & Disclosure Guide
for Employee Benefit Plans
Addendum

EXHIBIT 23.2

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Registration Statement of Raytheon Company and Subsidiaries Consolidated on Form S-8 of our report dated January 26, 1998, except as to the information presented in note S for which the date is March 26, 1998, on our audits of the consolidated financial statements and financial statement schedule of Raytheon Company and Subsidiaries Consolidated.

/s/ Coopers & Lybrand
Coopers & Lybrand LLP

Boston, Massachusetts
June 5, 1998