

RAYTHEON CO/
Form DEF 14A
March 29, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Raytheon Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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March 29, 2006

Dear Raytheon Stockholder:

I am pleased to invite you to attend Raytheon's 2006 Annual Meeting of Stockholders on Wednesday, May 3, 2006. The meeting will begin promptly at 11:00 a.m. Eastern Time at The Ritz-Carlton, Pentagon City, 1250 South Hayes Street, Arlington, Virginia. For your convenience, we are pleased to offer a live webcast (audio only) of the annual meeting at www.raytheon.com.

This booklet includes the formal notice of the meeting and the proxy statement. The proxy statement tells you about the agenda and procedures for the meeting. It also describes how the Board of Directors operates and provides information about our director candidates.

Corporate governance and ethics continued to be a key theme for the Board in 2005. Throughout the year, we looked for opportunities to improve our practices against a benchmark of the best. Key governance initiatives adopted during 2005 included the declassification of the Board and moving to annual election of all directors beginning at this annual meeting. Beginning this year, all directors are subject to annual election at each annual meeting of stockholders. You may remember voting on this important ballot item at last year's annual meeting.

Another milestone in our governance processes occurred in October 2005, when the Board adopted a majority voting policy. The policy provides that any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for his or her election shall tender his or her resignation to the Governance and Nominating Committee. The Board believes that this step, together with the other processes that the Board has adopted with respect to director nominations and elections, ensures a sound and fair election each year.

As part of our commitment to transparency in our public disclosure documents, you will notice some additional information in this proxy statement with respect to executive compensation. We hope that the additional information that we have provided you with helps in your understanding of the compensation of our directors, named executive officers and our executive compensation program.

We encourage you to visit our website, www.raytheon.com, which highlights our business, ethics and corporate governance practices. You will find there many of the governance and ethics documents that are summarized in the proxy statement.

I look forward to sharing more information with you about Raytheon at the Annual Meeting. Whether or not you plan to attend, I encourage you to vote your proxy as soon as possible so that your shares will be represented at the meeting.

Thank you.

Sincerely,

WILLIAM H. SWANSON
Chairman and Chief Executive Officer

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NOTICE OF 2006 ANNUAL MEETING OF STOCKHOLDERS

Time: 11:00 a.m. Eastern Time

Date: May 3, 2006

Place: The Ritz-Carlton, Pentagon City

1250 South Hayes Street

Arlington, Virginia

Record Date: Stockholders of record at the close of business on March 9, 2006 are entitled to notice of and to vote at the meeting.

Purpose:

- (1) Elect ten directors to hold office until the next annual stockholders meeting or until their respective successors have been elected.
- (2) Ratify the selection of PricewaterhouseCoopers LLP as the Company's independent auditors.
- (3) Consider and approve the terms of performance awards under the Long-Term Performance Plan.
- (4) Consider and act upon such other business, including stockholder proposals if properly presented, as may properly come before the meeting or any adjournment thereof.

Proxy Voting: You can vote your shares by completing and returning the proxy card sent to you. Most stockholders can also vote their shares over the Internet or by telephone. Please check your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. You can revoke a proxy at any time prior to its exercise by following the instructions in the proxy statement.

By order of the Board of Directors,

John W. Kapples
Secretary

Waltham, Massachusetts

March 29, 2006

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RAYTHEON COMPANY

870 Winter Street, Waltham, Massachusetts 02451

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Raytheon Company of proxies to be voted at our 2006 Annual Meeting of Stockholders and at any meeting following adjournment thereof.

You are cordially invited to attend Raytheon's Annual Meeting on May 3, 2006 beginning at 11:00 a.m. Eastern Time. Stockholders will be admitted beginning at 10:30 a.m. The meeting will be held at The Ritz-Carlton, Pentagon City, 1250 South Hayes Street, Arlington, Virginia.

We are first mailing this proxy statement and accompanying forms of proxy and voting instructions on or about March 29, 2006 to holders of shares of our common stock as of March 9, 2006, the record date for the meeting.

You will need an admission ticket to enter the meeting. If you are a stockholder of record, you will find an admission ticket attached to the proxy card sent to you. If you plan to attend the meeting in person, please detach the admission ticket from the proxy card and bring it with you to the meeting. For security purposes, in order to enter the meeting, you will be asked to present a valid picture identification, such as a driver's license or passport, with your admission ticket.

If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the meeting in person, you may obtain an admission ticket in advance by sending a written request, along with proof of ownership, such as a bank or brokerage account statement, to ADP Investor Communication Services, 51 Mercedes Way, Edgewood, New York 11717. If you arrive at the meeting without an admission ticket, we will admit you only if we are able to verify that you are a Raytheon stockholder. You should bring a letter or account statement showing that you are the beneficial owner of Raytheon common stock on the record date in order to be admitted to the meeting without an admission ticket.

Proxies and Voting Procedures

Your vote is important. Because many stockholders cannot personally attend the meeting, it is necessary that a large number be represented by proxy. Most stockholders have a choice of voting over the Internet, by using a toll-free telephone number or by completing a proxy card and mailing it in the envelope provided. Please check your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. The Internet and telephone voting facilities for stockholders of record will close at 11:59 p.m. Eastern Time on May 2, 2006. The Internet and telephone voting procedures have been designed to authenticate stockholders, to allow you to vote your shares and to confirm that your instructions have been properly recorded.

You can revoke your proxy at any time before it is exercised by timely delivery of a properly executed, later-dated proxy (including an Internet or telephone vote) or by voting by ballot at the meeting. By providing your voting instructions promptly, you may save us the expense of a second mailing.

The method by which you vote will not limit your right to vote at the meeting if you later decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

All shares entitled to vote and represented by properly executed proxies received prior to the meeting and not revoked will be voted at the meeting in accordance with your instructions. If you do not indicate how your shares should be voted on a matter, the shares represented by your proxy will be voted as the Board of Directors recommends.

Stockholders Entitled to Vote

Stockholders at the close of business on the record date are entitled to notice of and to vote at the meeting. On March 9, 2006, there were 446,442,322 common shares outstanding.

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If you are a participant in Raytheon's Dividend Reinvestment Plan, common shares held in your account are included on, and may be voted using, the proxy card sent to you. The plan's administrator is the stockholder of record of your dividend reinvestment plan shares. The administrator will not vote those shares unless you provide instructions, which you can do over the Internet, by telephone or by using the proxy card sent to you.

If you are a participant in the Raytheon Savings and Investment Plan, your vote will serve as the voting instruction to the trustee of the plan for all shares you own through the plan. If you own shares through this plan and do not provide voting instructions to the trustee, the trustee will vote those shares at the meeting in the same proportion as shares for which instructions were received under the plan.

Quorum and Required Vote

Quorum

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote for the election of directors is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. We believe that nominees have discretionary voting power with respect to all of the ballot items described below and elsewhere in this proxy statement except for the proposals submitted by stockholders.

Required Vote Election of Directors

A plurality of the votes cast is required for the election of directors. In other words, the nominees receiving the greatest number of votes will be elected. Abstentions are not counted for purposes of the election of directors. The Board of Directors has adopted a majority voting policy. The policy provides that any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for his or her election shall tender his or her resignation to the Governance and Nominating Committee. For more information on the majority voting policy and procedures adopted by the Board of Directors, please see Voting for Directors Majority Voting Policy on page 6 of this proxy statement.

Required Vote Approval of Performance Goals Under the Long-Term Performance Plan

The affirmative vote of the holders of a majority of the shares of common stock, present in person or represented by proxy and entitled to vote, is required to approve the performance goals under the Long-Term Performance Plan. An abstention is treated as present and entitled to vote and therefore has the effect of a vote against approval of the performance goals under the Long-Term Performance Plan. Because the New York Stock Exchange considers approval of the performance goals under the Long-Term Performance Plan to be routine, a nominee holding shares in street name may vote on this proposal without instructions from the beneficial owner.

Required Vote Ratification of Auditors

The affirmative vote of the holders of a majority of shares of common stock, present in person or represented by proxy and entitled to vote, is required with respect to the ratification of the Company's independent auditors. An abstention is treated as present and entitled to vote and therefore has the effect of a vote against ratification of the independent auditors. Because the New York Stock Exchange considers the ratification of the independent auditors to be routine, a nominee holding shares in street name may vote on this proposal without instructions from the beneficial owner.

Stockholder Proposals

The affirmative vote of the holders of a majority of the shares of common stock, present in person or represented by proxy and entitled to vote, is required to approve the stockholder proposals. An abstention is treated as present and entitled to vote on the stockholder proposals and therefore has the effect of a vote against each proposal. A nominee holding shares in street name does not have discretionary voting power with respect to the stockholder proposals and may not vote shares unless the nominee receives voting instructions from the

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beneficial owner. Accordingly, a broker non-vote is not counted for voting purposes with respect to, and has no effect on, stockholder proposals.

If any other matters are properly presented for consideration at the meeting, including, among other things, consideration of a motion to adjourn the meeting to another time or place, the persons named in the enclosed form of proxy will have discretion to vote on those matters according to their best judgment to the same extent as the person signing the proxy would be entitled to vote. At the date this proxy statement went to press, we did not anticipate that any other matters would be raised at the meeting.

In accordance with our Restated Certificate of Incorporation, as amended, each share of common stock is entitled to one vote.

Tabulation of Votes

All votes, whether by proxy or ballot, will be tabulated by an independent business entity, which will not disclose your vote except as:

required by law;

necessary in connection with a judicial or regulatory action or proceeding;

necessary in connection with a contested proxy solicitation; or

requested by you.

Any comment written on a proxy card will be provided to our Corporate Secretary without disclosing your vote, unless necessary to an understanding of the comment.

Multiple Copies of Annual Report to Stockholders

A copy of our 2005 Annual Report is enclosed. If you received more than one copy of the annual report and wish to reduce the number of reports you receive to save us the cost of producing and mailing the annual report, we will discontinue the mailing of reports on the accounts you select if you follow the instructions regarding electronic access on the enclosed proxy card or when you vote over the Internet or by telephone.

At least one account must continue to receive annual reports and proxy statements, unless you elect to view future annual reports and proxy statements over the Internet. Mailing of dividends, dividend reinvestment statements and special notices will not be affected by your election to discontinue duplicate mailings of the annual report and proxy statement.

Householding Information

We have adopted a procedure approved by the Securities and Exchange Commission called householding. Under this procedure, we are permitted to deliver a single copy of our proxy statement and annual report to stockholders sharing the same address. Householding allows us to reduce our printing and postage costs and reduces the volume of duplicative information received at your household.

In accordance with a notice previously sent to our record holders and certain street name holders who share a single address, we are sending only one annual report and proxy statement to that address unless we received instructions to the contrary from any stockholder at that address. If you wish to receive an additional copy of our annual report or proxy statement this year, you may call Raytheon Shareholder Services toll-free at 1-800-360-4519 or write to the Corporate Secretary at Raytheon Company, 870 Winter Street, Waltham, Massachusetts 02451. You also may request copies of our annual disclosure documents on our web site at www.raytheon.com. If you are a street name holder and wish to revoke your consent and receive additional copies of our proxy statement and annual report in future years, you may call ADP Investor Communications Services toll-free at 1-800-542-1061. If you are a record holder and wish to revoke your consent and receive additional copies of our proxy statement and annual report in future years, you may call Raytheon Shareholder Services toll-free at 1-800-360-4519.

Electronic Delivery of Proxy Materials and Annual Report

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This proxy statement and our 2005 Annual Report are also available on our web site at www.raytheon.com under the heading Investor Relations. Most stockholders can elect to view future proxy statements and annual reports, as well as vote their shares of Raytheon stock, over the Internet

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instead of receiving paper copies in the mail. This will save us the cost of producing and mailing these documents.

If you are a stockholder of record, you may choose this option by following the instructions provided when you vote over the Internet. You also may elect to receive annual disclosure documents electronically by following the instructions published on our web site at www.raytheon.com. If you choose to view future proxy statements and annual reports over the Internet, you will receive an e-mail message next year containing the Internet address to access our annual report and proxy statement. Your choice will remain in effect until you call the Raytheon Shareholder Services toll-free number or until you cancel your election at www.raytheon.com. You do not have to elect Internet access each year.

If you hold Raytheon stock through a bank, broker or other holder of record, please refer to the information provided by your bank or broker regarding the availability of electronic delivery. If you hold Raytheon stock through a bank, broker or other holder of record and you have elected electronic access, you will receive information in the proxy materials mailed to you by your bank or broker containing the Internet address for use in accessing our proxy statement and annual report.

Cost of Proxy Solicitation

We will pay the cost of soliciting proxies. Proxies may be solicited on behalf of the Company by directors, officers or employees of the Company in person or by telephone, facsimile or other electronic means. We have retained Morrow & Co. to assist in the distribution and solicitation of proxies. We have agreed to pay Morrow & Co. a fee of \$15,000 plus expenses for these services.

As required by the Securities and Exchange Commission and the New York Stock Exchange, we also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of Raytheon stock.

Stockholder Account Maintenance

Our transfer agent is American Stock Transfer & Trust Company (AST). All communications concerning accounts of stockholders of record, including address changes, name changes, inquiries as to requirements to transfer Raytheon stock and similar issues, can be handled by calling Raytheon Shareholder Services toll-free at 1-800-360-4519 or by accessing AST's web site at www.amstock.com.

For other Company information, you can visit our web site at www.raytheon.com. We make our web site content available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this proxy statement.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and persons who own more than 10% of a registered class of our equity securities to file reports of holdings and transactions in Raytheon stock with the Securities and Exchange Commission and the New York Stock Exchange. Based on our records and other information, we believe that, in 2005, none of our directors, executive officers or 10% stockholders failed to file a required report on time, except for a Form 4 that was filed one week late on behalf of Gregory S. Shelton, a former executive officer, as a result of a failure by our service provider to timely notify us of a trade that was effected pursuant to a Rule 10b5-1 trading plan.

Certain Relationships and Related Transactions

We do not currently provide personal loans to our executive officers or directors. The following disclosure describes a loan made prior to the Sarbanes-Oxley Act of 2002. In 1999, we provided William H. Swanson an interest-free loan of \$1,000,000 to assist him in his relocation from Washington, D.C. to California. The loan was secured by a mortgage on Mr. Swanson's home. In connection with the reorganization of our defense businesses, Mr. Swanson subsequently relocated from California to Massachusetts and the loan became secured by a mortgage on Mr. Swanson's Massachusetts home. The highest amount outstanding during 2005 was \$725,000 and the balance as of the date of publication of this proxy statement was \$525,000.

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In January 1999, we converted our payroll system from a monthly to a bi-weekly pay cycle. In connection with the conversion, all employees at that time effectively received a two-week pay advance. The outstanding pay advance for William H. Swanson, Jack R. Kelble and Louise L. Francesconi was \$12,082, \$6,210 and \$6,154, respectively. These pay advances were paid in full in March 2005.

Erik Daniel Smith, the son of Daniel Smith, President of our Integrated Defense Systems business unit, is an employee of the Company. During 2005, Erik Smith received cash compensation of approximately \$75,000. Todd Keebaugh, the son of Michael Keebaugh, President of our Intelligence and Information Systems business unit, was an employee of the Company through June 2005. Todd Keebaugh received cash compensation of approximately \$107,000 with respect to his employment during that period.

CORPORATE GOVERNANCE

The Board of Directors is committed to being a leader in corporate governance. The Board believes that a commitment to good governance enhances stockholder value and goes beyond simply complying with applicable requirements. It means adhering to the highest standards of ethics and integrity. To that end, the Board has adopted a number of policies and processes to ensure effective governance of the Board and the Company. Our key governance documents are described below and may be found on our web site at www.raytheon.com.

Governance Principles

The Board of Directors has adopted Governance Principles which provide the framework for the oversight of our business and operations. The Governance Principles, which include the following statements, may be found on our web site at www.raytheon.com.

A substantial majority of the Board of Directors should be independent directors. In addition, the Audit, Management Development and Compensation and Governance and Nominating Committees consist entirely of independent directors.

The Board has adopted stock ownership guidelines applicable to directors and officers.

The Board periodically reviews the Company's long-term strategic and business plans.

The Chief Executive Officer provides an annual report on succession planning and management development to the Management Development and Compensation Committee and the Board of Directors.

The Board engages in an annual ethics education program.

Board Independence

The Governance Principles also include criteria adopted by the Board to assist it in making determinations regarding the independence of its members. The criteria, summarized below, are consistent with the New York Stock Exchange listing standards regarding director independence. To be considered independent, the Board must determine that a director does not have a material relationship, directly or indirectly, with the Company. A director will be not considered independent if he or she, or an immediate family member, has been within the last three years:

an executive officer of the Company;

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a current partner or employee of an internal or external auditor of the Company or a partner or employee of an internal or external auditor of the Company who personally worked on the Company's audit;

an executive officer of a public company that has on the compensation committee of its board an executive officer of the Company;

a paid advisor or consultant to the Company receiving in excess of \$100,000 per year in direct compensation from the Company (other than fees for service as a director); and

an employee (or in the case of an immediate family member, an executive officer) of a company that does business with the Company and the annual payments to or from the Company exceeded the greater of \$1 million or 2% of the other company's annual gross revenues.

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In addition, a director will be not considered independent if he or she, or an immediate family member, has been an executive officer of a tax-exempt entity that receives contributions in any fiscal year from the Company exceeding the greater of \$1 million or 2% of its gross revenues. A director also will not be considered independent if he or she has an immediate family member who is a current employee of an internal or external auditor of the Company who participates in such firm's audit, assurance or tax compliance practice.

The Board has considered the independence of its members in light of its independence criteria. We have many relationships established in the ordinary course of business with organizations with which our directors are affiliated, but which are not material to us or any of the organizations. The Board considered these immaterial relationships in connection with its independence determinations. The Board has determined that, except for William H. Swanson, our Chairman and CEO, each director satisfies the criteria and is independent.

Director Nomination Process

The Governance and Nominating Committee considers director candidates from diverse sources and welcomes suggestions from stockholders. The Committee looks for candidates who possess a range of diverse experience, knowledge and business judgment. The Committee's goal is to have a balanced, engaged and collegial board whose members possess the skills and background necessary to ensure that stockholder value is maximized in a manner consistent with all legal requirements and the highest ethical standards.

The Committee will carefully consider all candidates on the basis of the candidate's background and experience. The Committee will review the candidate's qualifications in accordance with the director qualification criteria contained in our Governance Principles and determine whether the candidate should be nominated for election to the Board. There is no difference in the way in which the Committee evaluates nominees for director based upon the source of the nomination. From time to time, the Committee may engage a third party for a fee to assist it in identifying potential director candidates.

Stockholders wishing to nominate a director candidate may do so by sending the candidate's name, biographical information and qualifications to the Chair of the Governance and Nominating Committee in care of the Corporate Secretary, Raytheon Company, 870 Winter Street, Waltham, MA 02451. All director nominations should be made in accordance with the provisions set forth in our By-Laws, which are published on our web site under the heading [About Us/Corporate Governance](#). You also may obtain a copy of our By-Laws by writing to the Corporate Secretary at the address set forth above.

Under our By-Laws, nominations for director may be made only by the Board or a Board committee, or by a stockholder entitled to vote who complies with the advance notice provision in our By-Laws. For the Company's annual meeting in the year 2007, we must receive this notice between January 4, 2007 and February 3, 2007.

Voting for Directors Majority Voting Policy

In 2005, the Board of Directors adopted a majority voting policy for the election of directors. The policy, which is part of our Governance Principles, provides that any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for his or her election shall tender his or her resignation to the Governance and Nominating Committee. The Governance and Nominating Committee shall recommend to the Board the action to be taken with respect to the resignation.

The Governance and Nominating Committee will promptly consider the resignation submitted by a director receiving a greater number of votes withheld from his or her election than votes for his or her election. The Committee will make a recommendation to the Board whether to accept or reject the tendered resignation. In considering whether to accept or reject the tendered resignation, the Committee will consider all factors it deems relevant, including any known reasons why stockholders withheld votes from the director, the length of service and qualifications of the director in question and the director's contributions to the Company.

The Board will act promptly on the recommendation of the Committee, but in any event

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not later than 90 days from the date of the annual or special meeting of stockholders at which the vote occurred. In considering the Committee's recommendation, the Board will consider the factors considered by the Committee and any other factors it deems relevant. Absent a compelling reason for the director to remain on the Board, the Board shall accept the director's tendered resignation. Following the Board's decision to accept or reject the tendered resignation, we will promptly disclose the decision publicly, including an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation, in an 8-K Report filed with the Securities and Exchange Commission.

Any director who tenders his or her resignation in accordance with our majority voting policy will not participate in the consideration of his or her tendered resignation by the Committee or the Board. If a majority of the Committee receives a greater number of votes withheld than votes for at the same election, then the independent directors who are on the Board who did not receive such votes will consider the tendered resignation.

The Board has adopted the following policies and processes which it believes represent best practices with respect to the election of directors: the annual election of all directors; a policy that a substantial majority of the Board shall be independent; a rigorous nomination process conducted by the independent Governance and Nominating Committee; and disclosure of a process by which stockholders may nominate director candidates. The Board further believes that the majority voting policy, in conjunction with the practices described above and elsewhere in this proxy statement, ensures the integrity of the election process by providing stockholders with a meaningful voice in director elections, thereby increasing the Board's accountability to stockholders.

Code of Ethics and Conflicts of Interest

We have adopted a Code of Business Ethics and Conduct and a Conflict of Interest Policy which apply to all officers, directors, employees and representatives. The Code of Conduct and the Conflict of Interest Policy are the foundation of our ethics and compliance program and cover a wide range of areas. Many of our policies are summarized in the Code of Conduct, including Conflict of Interest, Insider Trading, Discrimination and Harassment, Confidentiality, and compliance with all laws and regulations applicable to the conduct of our business. All officers, directors, employees and representatives are required to comply with the Code of Conduct and are subject to disciplinary action, including termination, for violations. We provide annual ethics education for all directors, officers and employees. The Code of Conduct is published on our web site at www.raytheon.com under the heading About Us/Ethics. Any amendments to the Code of Conduct or the grant of a waiver from a provision of the Code of Conduct with respect to any executive officer or director will be disclosed on our web site.

In addition to complying with the Code of Conduct and other applicable Company policies, directors, officers and employees are expected to bring to the attention of the Senior Vice President and General Counsel or the Vice President Business Ethics any actual or potential conflict of interest. Anyone, including directors, officers and employees, may report concerns through our anonymous, confidential toll-free hotline or through the processes described on page 8 under the heading Communication with the Board.

Lead Director

In December 2002, the Board created the position of lead director. The Board believes that a lead director is an integral part of a Board structure that promotes strong, independent oversight of the Company's management and affairs. The lead director shall be independent as determined by the Board in accordance with the criteria included in our Governance Principles and summarized above. The lead director's duties include developing Board agendas with the Chairman, developing meeting schedules to ensure there is sufficient time for discussion of agenda topics, chairing executive sessions of the Board (in which the independent directors meet without management), acting as a liaison between the Chairman and the independent directors and performing such other duties as the Board may determine from time to time. The designation of a lead director is not intended to inhibit communication among the directors or between any of them and the Chairman. Annually, the Board reviews the role and designation of the lead director.

In connection with his retirement from the Board at the 2006 annual meeting, Warren B. Rudman will

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be retiring as the Board's lead director. Mr. Rudman has served as the lead director since December 2002. We gratefully acknowledge his valuable counsel and the guidance that he has provided based on his depth of experience having served as a member of the Board of the Company since 1993. Upon Mr. Rudman's retirement, the Board will designate a new lead director.

Communication with the Board

Anyone who has a concern about our conduct may communicate that concern directly to the lead director on behalf of the non-management directors as a group. You may contact the lead director in writing care of the Corporate Secretary, Raytheon Company, 870 Winter Street, Waltham, Massachusetts 02451. Interested parties also may contact the lead director electronically by submitting comments on our web site at www.raytheon.com under the heading "About Us/Corporate Governance." These matters will be referred to the lead director and tracked by the Office of the General Counsel.

Anyone who has a concern regarding our accounting, internal accounting controls or auditing matters may communicate that concern to the Audit Committee. You may contact the Audit Committee in writing care of Raytheon Company, Post Office Box 21, Concord, Massachusetts 01742. Interested parties may also contact the Audit Committee electronically by submitting comments on our web site at www.raytheon.com under the heading "About Us/Corporate Governance." All such communications will be referred to the Audit Committee and will be tracked and investigated in the ordinary course by the Company's Ethics Office with the assistance of the Office of the General Counsel unless otherwise instructed by the Audit Committee.

Stock Ownership Guidelines

In 2004, the Board adopted stock ownership guidelines for directors and executive officers. Each director is expected to own shares of stock with a market value of at least two times his or her annual retainer. Directors have five years to achieve the target ownership threshold. The Chief Executive Officer is expected to own shares of stock with a market value of at least five times his or her annual base salary. Other officers, depending upon seniority, are expected to own shares of stock with a market value between one and three times their annual base salaries. Each officer is expected to meet the applicable target ownership threshold within five years. As of February 1, 2006, all of our named executive officers had met or exceeded their stock ownership guidelines.

Policy on Shareholder Rights Plans

We do not have a shareholder rights plan. The Board will obtain stockholder approval prior to adopting a shareholder rights plan unless the Board in the exercise of its fiduciary duties determines that, under the circumstances then existing, it would be in the best interests of the Company and its stockholders to adopt a rights plan without prior stockholder approval. If a rights plan is adopted by the Board without prior stockholder approval, the plan must provide that it will expire within one year of adoption unless ratified by stockholders.

Director Education

Our director education program consists of visits to Company facilities, education regarding our Code of Conduct and other policies and practices relevant to our business and operations, and participation in customized director education workshops and attendance at director education institutes. We engage in annual ethics education for all directors. In addition, we sponsor in-house educational programs for the Board and provide updates on relevant topics of interest to the Board. We also encourage directors to attend director education programs and institutes sponsored by various educational institutions.

Board and Committee Evaluation Process

The Governance and Nominating Committee leads an annual assessment of the Board's performance and of its contribution as a whole. In addition, each committee of the Board (except the Executive Committee) annually reviews its performance. Many of the changes to the Governance Principles, committee charters, and Board governance practices in general have resulted from the annual evaluation process. The Board views the annual self-assessment reviews as an integral part of its commitment to achieve high levels of Board and committee performance.

Table of Contents**THE BOARD OF DIRECTORS AND BOARD COMMITTEES**

Our business, property and affairs are managed under the direction of the Board of Directors. Members of the Board are kept informed of our business through discussions with the lead director, the Chairman and other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. During 2005, the average attendance for directors at Board and committee meetings was 95%. No director attended less than 75% of Board and committee meetings. All Board members are expected to attend the annual meeting of stockholders. In 2005, 11 of 12 directors attended the annual meeting.

The table below provides membership and meeting information for the Board and each committee. In 2005, the Board of Directors met 9 times.

	Audit Committee	Governance and Nominating Committee	Management Development and Compensation Committee⁽¹⁾	Public Affairs Committee	Executive Committee
Independent Directors					
Barbara M. Barrett		X	X	Chair	X
Vernon E. Clark ⁽²⁾					
Ferdinand Colloredo-Mansfeld			X		
John M. Deutch		X		X	
Thomas E. Everhart		Chair			X
Frederic M. Poses	X			X	
Warren B. Rudman		X	Chair		X
Michael C. Ruetters	X		X		
Ronald L. Skates	Chair				X
William R. Spivey	X			X	
Linda G. Stuntz	X				
Inside Director					
William H. Swanson					Chair
Number of Meetings in 2005	11	6	8	4	0

- (1) The Options Subcommittee of the Management Development and Compensation Committee, comprised of Barbara M. Barrett, Ferdinand Colloredo-Mansfeld and Michael C. Ruetters Chair, met 4 times in 2005. In June 2005, the Management Development and Compensation Committee voted to eliminate the Options Subcommittee and perform the duties previously performed by the Options Subcommittee.
- (2) Mr. Clark was elected to the Board in December 2005.

Table of Contents**Compensation of Directors**

Each non-employee director receives an annual cash retainer of \$60,000. The chair of each Board committee (other than the Audit Committee) receives an additional annual cash retainer of \$5,000. The chair of the Audit Committee receives an additional annual cash retainer of \$15,000. Non-employee directors also receive a fee of \$1,500 for attendance at each meeting of the Board and each committee meeting, other than telephonic meetings, for which the fee is \$500. Pursuant to our Deferred Compensation Plan, directors may defer receipt of their annual retainer and/or meeting fees until retirement from the Board. Directors may elect to receive their cash retainer in shares of Raytheon common stock.

Non-employee directors also receive an annual grant of \$80,000 of Raytheon common stock. Grants are made under the 1997 Nonemployee Directors Restricted Stock Plan. All grants consist of restricted stock and are held in the custody of the Company until restrictions lapse, generally on the date of the next annual meeting. The directors receive dividends on these shares and are entitled to vote these shares.

The lead director receives an additional annual retainer of \$60,000, payable as follows: \$24,000 in cash and an annual grant of \$36,000 of restricted shares of Raytheon common stock.

We reimburse directors for actual expenses incurred in the performance of their service as directors, including attendance at director education programs sponsored by educational and other institutions. We also maintain a general insurance policy which provides non-employee directors with up to \$100,000 per incident in travel accident insurance when on Company business. In addition, all directors are eligible to participate in our matching gift and charitable awards program available to all employees. We match gifts up to \$5,000 per donor per calendar year.

Set forth below is information concerning the annual compensation for each member of the Board of Directors for the fiscal year ending December 31, 2005.

Director	Annual Retainer		Meeting Fees	Total Compensation
	Cash	Stock ⁽¹⁾		
Barbara M. Barrett ⁽²⁾	\$ 50,000	\$ 80,000	\$ 38,500	\$ 168,500
Vernon E. Clark ⁽³⁾	15,000		1,500	16,500
Ferdinand Colloredo-Mansfeld	45,000	80,000	24,500	149,500
John M. Deutch	45,000	80,000	23,000	148,000
Thomas E. Everhart ⁽²⁾	50,000	80,000	22,500	152,500
Frederic M. Poses	45,000	80,000	37,500	162,500
Warren B. Rudman ⁽⁴⁾	74,000	116,000	34,500	224,500
Michael C. Ruettgers	45,000	80,000	40,500	165,500
Ronald L. Skates ⁽²⁾	56,250	80,000	26,500	162,750
William R. Spivey	45,000	80,000	31,000	156,000
Linda G. Stuntz	45,000	80,000	25,500	150,500

(1) Based on the fair market value of Raytheon common stock on the date of grant.

(2) Ms. Barrett and Mr. Everhart received an additional annual cash retainer of \$5,000 for service as Chair of the Public Affairs Committee and the Governance and Nominating Committee, respectively. Mr. Skates received an additional annual cash retainer of \$11,250 for service as Chair of the Audit Committee.

(3) Mr. Clark was elected to the Board in December 2005.

(4) Mr. Rudman received an additional annual cash retainer of \$5,000 for service as Chair of the Management Development and Compensation Committee. Mr. Rudman also received an additional annual cash retainer of \$24,000 and an additional \$36,000 in shares of stock for service as lead director.

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Audit Committee

The Audit Committee:

Monitors the integrity of our financial statements;

Monitors the independent auditor's qualifications and independence;

Monitors the performance of our internal audit function and independent auditors;

Meets with management to consider the adequacy of our internal controls and the objectivity of financial reporting;

Prepares the audit committee report found on page 31 under the heading Audit Committee Report;

Meets with the independent auditors, internal auditors and appropriate financial personnel;

Appoints the independent auditors;

Pre-approves all audit fees and terms as well as all non-audit engagements with the independent auditor;

Reviews annual and periodic reports and earnings press releases;

Has established a process for employees and others to confidentially or anonymously report concerns or complaints regarding accounting, internal control or auditing matters. More information regarding this process may be found on page 8 under the heading Communication with the Board;

Reviews compliance with our Code of Conduct; and

Has the authority to hire independent counsel and other advisors.

The Board of Directors has determined that each member of the Audit Committee is independent as defined by the rules of the New York Stock Exchange and the SEC. The Board also has determined that Ronald L. Skates, the Chair of the Committee, is an audit committee financial expert, as defined by SEC rules, based upon Mr. Skates' experience, training and education.

The Audit Committee Charter is published on our web site at www.raytheon.com under the heading About Us/Corporate Governance.

Management Development and Compensation Committee

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The Management Development and Compensation Committee:

Reviews and oversees compensation and personnel plans, policies and programs;

Reviews and recommends to the Board the compensation of the Chief Executive Officer and the other four most highly compensated executive officers;

Reviews and approves the compensation of other officers and key employees;

Approves director compensation;

Receives periodic assessments from the Chief Executive Officer regarding succession planning for senior management positions;

Administers and makes awards under our equity compensation plans;

Prepares the compensation committee report found on page 21 under the heading Management Development and Compensation Committee Report on Executive Compensation;

Consists solely of independent directors; and

Has the authority to hire independent counsel and other advisors.

The Management Development and Compensation Committee Charter is published on our web site at www.raytheon.com under the heading About Us/Corporate Governance.

Governance and Nominating Committee

The Governance and Nominating Committee:

Reviews and reports to the Board on a periodic basis with regard to matters of corporate governance;

Establishes procedures for the nomination of directors and recommends candidates for election to the Board;

Considers director nominees proposed by stockholders;

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Reviews and assesses the effectiveness of our Governance Principles and recommends proposed revisions to the Board;

Reviews proposals by stockholders in connection with the annual meeting of stockholders and makes recommendations to the Board for action on such proposals;

Makes recommendations to the Board regarding the size and composition of the Board;

Oversees the orientation program for new directors and the continuing education program for existing directors;

Consists solely of independent directors; and

Has the authority to hire independent counsel and other advisors.

The Governance and Nominating Committee Charter is published on our web site at www.raytheon.com under the heading About Us/Corporate Governance.

Public Affairs Committee

The Public Affairs Committee:

Reviews, identifies and brings to the attention of the Board political, social, legal and environmental trends and issues that may have an impact on our business, operations, financial performance or public image;

Reviews our policies and practices in the areas of political, legal, environmental and social responsibility and recommends to the Board such policies and practices including those involving:

environmental protection;

health and safety of employees;

ethics and compliance;

employment practices;

regulatory compliance (except financial matters and certain governance matters);

charitable contributions;

government relations;

community and university relations;

product quality;

crisis management; and

emergency preparedness;

Reviews, monitors and makes recommendations to the Board on corporate policies and practices that relate to public policy; and

Has the authority to hire independent counsel and other advisors.

The Public Affairs Committee Charter is published on our web site at www.raytheon.com under the heading About Us/Corporate Governance.

Executive Committee

The Executive Committee is empowered to act for the full Board during intervals between Board meetings, with the exception of certain matters that by law may not be delegated. The Executive Committee did not meet in 2005.

ELECTION OF DIRECTORS

(Item No. 1 on the proxy card)

The Board of Directors is subject to annual election by stockholders. The Board has nominated Barbara M. Barrett, Vernon E. Clark, Ferdinand Colloredo-Mansfeld, John M. Deutch, Frederic M. Poses, Michael C. Ruettgers, Ronald L. Skates, William R. Spivey, Linda G. Stuntz and William H. Swanson to serve one-year terms that expire at the annual meeting in the year 2007.

Thomas E. Everhart and Warren B. Rudman will not stand for re-election pursuant to the Board's retirement policy set forth in our Governance Principles. Mr. Everhart and Mr. Rudman will retire from the Board at the 2006 annual meeting. Mr. Rudman and Mr. Everhart have served on the Board since 1993 and 1997, respectively. We gratefully acknowledge their dedicated service and numerous contributions to our Company.

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We have included below the principal occupation and other information about the nominees. The persons named in the proxy card intend to vote for the election of each of the nominees unless you indicate that your vote should be withheld. If elected, the nominees will continue in office until their successors have been duly elected and qualified, or until the earlier of their death, resignation or retirement.

We expect each of the nominees to be able to serve if elected. If, on account of death or unforeseen contingencies, any of these persons is unavailable for election, the proxies will be voted for a substitute nominee designated by the Board of Directors.

Nominees for Election

BARBARA M. BARRETT

Director of the Company since 1999.

International business and aviation attorney since 1978.

Chairman of the U.S. Advisory Commission on Public Diplomacy since 2003.

Fellow at the Institute of Politics at Harvard University in 1999; current member of the Senior Advisory Board.

President and Chief Executive Officer of the American Management Association from 1997 to 1998.

Deputy Administrator of the Federal Aviation Administration from 1988 to 1989.

Vice Chairman of the Civil Aeronautics Board from 1982 to 1985.

Director: Exponent, Inc.

Trustee: Thunderbird, The Garvin School of International Management; The Aerospace Corporation.

Age 56.

VERNON E. CLARK

Director of the Company since December 2005.

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Chief of Naval Operations from July 2000 to July 2005 (retired from the United States Navy in September 2005).

37-year career in the United States Navy, beginning with a patrol gunboat as a lieutenant and concluding as the Chief of Naval Operations and serving in various positions of increasing responsibility.

Age 61.

FERDINAND COLLOREDO-MANSFELD

Director of the Company since 1987.

Retired Chairman and Chief Executive Officer of Cabot Industrial Trust (real estate investment trust).

Chairman and Chief Executive Officer of Cabot Industrial Trust from January 1998 to December 2001.

Chairman and Chief Executive Officer of Cabot Partners L.P. (predecessor of Cabot Industrial Trust) from October 1990 to January 1998 and Chairman and Chief Executive Officer of Cabot, Cabot and Forbes Co. from 1976 to 1990.

Director: Cabot Properties, Inc.

Age 66.

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JOHN M. DEUTCH

Director of the Company since 1998.

Institute Professor at the Massachusetts Institute of Technology since 1990.

Director of Central Intelligence from 1995 to 1996.

Deputy Secretary of Defense from 1994 to 1995.

Undersecretary of Defense, Acquisition and Technology from 1993 to 1994.

Provost (from 1985 to 1990), Dean of Science (from 1981 to 1988) and Chairman of the Department of Chemistry (from 1982 to 1985) of the Massachusetts Institute of Technology.

Director: Citigroup Inc.; Cummins Engine Company, Inc.; Schlumberger Ltd.

Affiliations: Museum of Fine Arts Boston; Resources for the Future; Urban Institute.

Age 67.

FREDERIC M. POSES

Director of the Company since 2000.

Chairman and Chief Executive Officer of American Standard Companies, Inc. (air conditioning, plumbing and automotive braking systems manufacturer) since January 1, 2000.

President and Chief Operating Officer of AlliedSignal, Inc. from 1998 to December 31, 1999.

30-year business career at AlliedSignal, starting as a financial analyst in 1969 and serving in various capacities including President of the Engineered Materials business beginning in April 1988.

Director: American Standard Companies, Inc.; Centex Corporation.

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Affiliations: National Center for Learning Disabilities; 92nd Street Y (NYC).

Trustee: Duke University School of Engineering; Eagle Hill School.

Age 63.

MICHAEL C. RUETTGERS

Director of the Company since 2000.

Retired Chairman and Chief Executive Officer of EMC Corporation (data storage and management products and services).

Chairman of EMC Corporation from January 2004 to December 2005.

Executive Chairman of EMC Corporation from January 2001 to January 2004.

Chief Executive Officer of EMC Corporation from January 1992 to January 2001.

Mr. Ruetters held a variety of senior executive positions at EMC Corporation from 1988 to 1992.

Trustee: Lahey Clinic; College of the Holy Cross.

Age 63.

RONALD L. SKATES

Director of the Company since 2003.

Private investor since 1999.

President and Chief Executive Officer of Data General Corporation (data storage and enterprise solutions supplier) from 1989 to 1999; other positions at Data General Corporation from 1986 to 1989.

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Partner at Price Waterhouse (now PricewaterhouseCoopers LLP) from 1976 to 1986.

Director: State Street Corporation; Courier Corporation.

Trustee: Massachusetts General Physicians Organization.

Age 64.

WILLIAM R. SPIVEY

Director of the Company since 1999.

Retired President and Chief Executive Officer of Luminent, Inc. (fiber-optic transmission products).

President and Chief Executive Officer of Luminent, Inc. from July 2000 to September 2001.

Group President, Network Products Group, Lucent Technologies Inc. from October 1997 to July 2000.

Vice President, Systems & Components Group, AT&T Corporation from 1994 to October 1997.

Group Vice President and President, Tektronix Development Company, Tektronix, Inc. from 1991 to 1994.

Director: Cascade Microtech, Inc.; Lyondell Chemical Co.; Novellus Systems, Inc.; The Laird Group, PLC; ADC Telecommunications, Inc.

Age 59.

LINDA G. STUNTZ

Director of the Company since 2004.

Partner in the law firm of Stuntz, Davis & Staffier, P.C. since February 1995.

Partner in the law firm of Van Ness Feldman from March 1993 to February 1995.

Deputy Secretary of and held senior policy positions in the United States Department of Energy from 1989 to 1993.

Associate Minority Counsel and Minority Counsel to the U.S. House of Representatives Energy and Commerce Committee from 1981 to 1987.

Director: Schlumberger Ltd.

Age 51.

WILLIAM H. SWANSON

Chairman of the Board since 2004.

Director and Chief Executive Officer of the Company since July 2003.

President of the Company from July 2002 to May 2004.

Executive Vice President of the Company and President of Electronic Systems from January 2000 to July 2002.

Executive Vice President of the Company and Chairman and Chief Executive Officer of Raytheon Systems Company from January 1998 to January 2000.

33-year business career at the Company including a wide range of leadership positions.

Director: Sprint Nextel Corporation.

Regent: Pepperdine University.

Age 57.

Table of Contents**STOCK OWNERSHIP****Five Percent Stockholders**

The following table lists those persons or groups known to us (based solely on filings with the Securities and Exchange Commission) to be the beneficial owner of more than 5% of the Company's common stock as of December 31, 2005:

Name and Address of Beneficial Owner	Common Stock	Percent of Class
Capital Research and Management Company		
333 South Hope Street Los Angeles, CA 90071	25,678,370	5.7%

Management and Directors

The following table contains information regarding the beneficial ownership of shares of our common stock as of February 1, 2006 for (a) each director and nominee for director, (b) the four most highly compensated officers who are not also directors, and (c) the directors, nominees and all executive officers as a group. No individual director or nominee for director or named executive officer beneficially owns 1% or more of the outstanding shares of common stock. The directors and executive officers as a group own less than 1% of the outstanding shares of common stock.

Name	Number of Shares and Nature of Beneficial Ownership
(a)	
William H. Swanson	1,472,080 ₍₁₎₍₂₎₍₇₎₍₉₎
Barbara M. Barrett	13,274 ₍₃₎
Vernon E. Clark*	0
Ferdinand Colloredo-Mansfeld	24,190 ₍₃₎₍₄₎
John M. Deutch	9,044 ₍₃₎
Thomas E. Everhart	12,029 ₍₃₎
Frederic M. Poses	15,699 ₍₃₎
Warren B. Rudman	20,701 ₍₃₎₍₄₎₍₅₎
Michael C. Ruettgers	20,783 ₍₃₎
Ronald L. Skates	11,374 ₍₃₎₍₆₎
William R. Spivey	20,274 ₍₃₎
Linda G. Stuntz	4,774 ₍₃₎
(b)	
James E. Schuster	306,076 ₍₁₎₍₂₎₍₇₎
Jay B. Stephens	236,464 ₍₁₎₍₂₎₍₇₎
Louise L. Francesconi	206,339 ₍₁₎₍₂₎₍₇₎
Jack R. Kelble	148,590 ₍₁₎₍₂₎₍₇₎
(c)	
All directors, nominees for director and executive officers as a group (31 persons)	3,861,449 ₍₁₎₍₂₎₍₃₎₍₄₎₍₆₎₍₇₎₍₈₎₍₉₎

* Mr. Clark was elected to the Board in December 2005.

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- (1) Includes shares which the executive has the right to acquire upon the exercise of stock options as follows: Mr. Swanson 1,017,932; Mr. Schuster 195,103; Mr. Stephens 179,781; Mr. Kelble 120,943; Ms. Francesconi 158,342; all executive officers as a group 2,626,598.

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- (2) Includes shares held in the Raytheon Savings and Investment Plan and the Raytheon Excess Savings Plan as follows: Mr. Swanson 14,445; Mr. Schuster 5,566; Mr. Stephens 80; Mr. Kelble 3,486; Ms. Francesconi 9,159; all executive officers as a group 72,011.
- (3) Includes restricted stock issued under the 1997 Nonemployee Directors Restricted Stock Plan: Ms. Barrett, Ms. Stuntz and Messrs. Colloredo-Mansfeld, Deutch, Everhart, Poses, Ruetters, Skates and Spivey 1,914 shares each; and Mr. Rudman 2,845 shares.
- (4) Includes 6,106 shares held in trust for the benefit of the individual director. Each director has the power to vote the shares held for his account. The shares were issued pursuant to the Company's Deferral Plan for Directors.
- (5) Excludes shares held by any of the mutual funds of Dreyfus Corporation. As a director of several funds managed by Dreyfus Corporation, Mr. Rudman shares voting and investment power in the shares held by such funds with the other directors of those funds and with the directors of the Dreyfus Corporation. Mr. Rudman disclaims beneficial ownership of all such shares.
- (6) Includes 1,000 shares held in trust as to which Mr. Skates disclaims beneficial ownership.
- (7) Includes restricted shares over which the executive has voting power as follows: Mr. Swanson 226,667; Mr. Schuster 63,000; Mr. Stephens 38,000; Mr. Kelble 19,000; Ms. Francesconi 33,000; all officers and directors as a group 690,205.
- (8) Includes vested deferred compensation equivalent to 4,000 shares of common stock attributable to an executive officer.
- (9) Includes vested deferred compensation equivalent to 128,250 shares of common stock attributable to Mr. Swanson.

Table of Contents**EXECUTIVE COMPENSATION**

Set forth below is information concerning the annual and long-term compensation for our Chief Executive Officer and the four other most highly compensated executive officers for the fiscal years ending December 31, 2005, 2004 and 2003.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other
		Salary(\$)	Bonus(\$)	Other Compensation(\$) ⁽¹⁾	Restricted Awards(\$) ⁽²⁾	Stock Options(#)	Underlying Securities Compensation(\$) ⁽³⁾	
William H. Swanson Chairman and Chief Executive Officer	2005	\$ 1,120,934	\$ 2,600,000	\$ 215,459	\$ 2,958,000		\$ 171,397	
	2004	970,387	2,000,000	211,269	2,301,650		148,859	
	2003	858,090	1,355,000	153,284	3,939,000	265,300	172,298	
James E. Schuster Executive Vice President and CEO Raytheon	2005	517,258	725,000	83,206	788,800		50,444	
	2004	494,218	655,000	102,835	637,380		47,144	
	2003	456,243	600,000	66,384	2,272,500	94,900	51,246	
Aircraft Company								
Jay B. Stephens Senior Vice President and General Counsel	2005	570,940	660,000	378	788,800		55,940	
	2004	543,903	600,000	5,134	637,380		49,238	
	2003	516,358	500,000	29,202		99,900	83,742	
Louise L. Francesconi Vice President and President-Missile Systems	2005	442,274	515,000	7,840	709,920		39,041	
	2004	415,699	450,000	9,515	531,150		33,192	
	2003	392,013	327,000	6,694		50,200	30,921	
Jack R. Kelble Vice President	2005	421,622	410,000	6,546	157,760		41,128	
	2004	411,147	400,000	5,664	531,150		40,611	
	2003	388,481	330,000	7,736		48,100	60,146	