

# EXHIBIT A

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

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IN RE RAYTHEON COMPANY  
SECURITIES LITIGATION

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: Civil Action No.  
: 99-12142-PBS  
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THIS DOCUMENT RELATES TO:  
ALL ACTIONS

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**PRELIMINARY ORDER IN CONNECTION  
WITH SETTLEMENT PROCEEDINGS**

WHEREAS, on August \_\_, 2004, the parties to the above-entitled action (the "Action") entered into a Stipulation and Agreement of Settlement (the "Stipulation") which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions for proposed settlements of the Action and the claims alleged in the Second Consolidated and Amended Class Action Complaint dated March 17, 2003 (the "Complaint") on the merits and with prejudice as against the Defendants;

WHEREAS, pursuant to Federal Rule of Civil Procedure 23(b)(3) and by Order dated March 22, 2002, as modified by an Order dated April 26, 2004, and as further modified herein, this Action has been certified as a class action on behalf of all persons or entities who purchased the Class A and/or Class B common stock of Raytheon Company ("Raytheon") during the period from October 7, 1998 through October 12, 1999, inclusive (the "Class Period"), and who were allegedly damaged thereby. Excluded from the Class are the Defendants, all of the officers, directors, and partners thereof, members of their immediate families, and their legal representatives, heirs, successors or assigns and any entity in which any of the foregoing have or had a controlling interest. A notice of the pendency of this Action as a class action (the "Notice of Pendency") was previously distributed to the Class. In response to the Notice of Pendency,

ninety-one requests for exclusion from the Class were received and were filed with the Court;  
and

WHEREAS, the Court having read and considered the Stipulation and the accompanying documents; and the parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED, this \_\_\_\_\_ day of \_\_\_\_\_, 2004 that:

1. A hearing (the "Settlement Fairness Hearing") pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on \_\_\_\_\_, 2004, at \_\_\_\_:\_\_\_\_.m. for the following purposes:

(a) to determine whether the proposed Settlements are fair, reasonable, and adequate, and should be approved by the Court;

(b) to determine whether the Order and Final Judgment as provided under the Stipulation should be entered, dismissing the Complaint filed herein, on the merits and with prejudice, as against the Defendants and to determine whether the release by the Class of the Settled Claims, as set forth in the Stipulation, should be provided to the Released Parties;

(c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlements is fair and reasonable, and should be approved by the Court;

(d) to consider Lead Counsel's application, on behalf of itself and Plaintiff's Counsel, for an award of attorneys' fees and expenses;

(e) to consider Lead Plaintiff' application for reimbursement of its reasonable costs and expenses directly relating to its representation of the Class; and

(f) to rule upon such other matters as the Court may deem appropriate.

2. For the purposes of the PwC Settlement, the Order of April 26, 2004, is modified solely to strike Paragraph II thereof, such that, as to PwC, the Class certified is as provided in the Order of March 22, 2002. The Orders of April 26, 2004 and March 22, 2002 otherwise are not amended or modified.

3. The Court recognizes and acknowledges that one consequence of a determination of fairness at the Settlement Fairness Hearing is that, pursuant to Section 3(a)(10) of the Securities Act of 1933, 15 U.S.C. § 77c(a)(10), the Settlement Warrants may be distributed to Class Members without registration and compliance with the prospectus delivery requirements of the securities laws.

4. The Court reserves the right to approve the Settlements with or without modification and with or without further notice of any kind. The Court further reserves the right to enter its Order and Final Judgment approving the Stipulation and dismissing the Complaint on the merits and with prejudice regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

5. The Court approves the form, substance and requirements of the Notice of Proposed Settlements of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Settlement Notice"), and the Proof of Claim form annexed hereto as Exhibits 1 and 2 respectively.

6. The Court approves the appointment of Analytics Incorporated as the Claims Administrator. The Claims Administrator shall cause the Settlement Notice and the Proof of Claim, substantially in the forms annexed hereto, to be mailed, by first class mail, postage prepaid, on or before \_\_\_\_\_, 2004, to all Class Members who can be identified with reasonable effort, including all persons who were previously mailed the Notice of Pendency dated September 13, 2002, except for those persons who previously requested exclusion in accordance with the requirements set forth in the Notice of Pendency. Raytheon has provided information from its transfer records and shareholder information to the Lead Plaintiff which will allow the Claims Administrator to identify members of the Class and give them notice of the Settlements. The Claims Administrator shall use reasonable efforts to give notice to nominee owners such as brokerage firms and other persons or entities who purchased Raytheon Class A and/or Class B common stock during the Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed to either forward copies of the Settlement Notice and Proof of Claim to their beneficial owners within seven (7) days of receipt of the Settlement Notice, or, if they have not already done so in response to the Notice of Pendency, to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Settlement Notice and Proof of Claim promptly to such beneficial owners. Nominee purchasers who elect to send the Settlement Notice and Proof of Claim to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Settlement Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Gross Cash Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable

expense of sending the Settlement Notices and Proofs of Claim to beneficial owners. Plaintiff's Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of mailing of the Settlement Notice and Proof of Claim.

7. The Court approves the form of Publication Notice of the proposed Settlements in substantially the form and content annexed hereto as Exhibit 3 and directs that Plaintiff's Lead Counsel shall cause the Publication Notice to be published in the national edition of The Wall Street Journal within ten days of the mailing of the Settlement Notice. Plaintiff's Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of publication of the Publication Notice.

8. The form and content of the Settlement Notice, and the method set forth herein of notifying the Class of the Settlements and their terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

9. In order to be entitled to participate in the Net Settlement Funds or Net Settlement Warrants, in the event the Settlements are effected in accordance with all of the terms and conditions set forth in the Stipulation, each Class Member shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim (the "Proof of Claim"), substantially in the form attached hereto as Exhibit 2, must be submitted to the Claims Administrator, at the Post Office Box indicated in the Settlement Notice, postmarked not later than \_\_\_\_\_,

2005. Such deadline may be further extended by Court Order. Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first class mail, postage prepaid) provided such Proof of Claim is actually received prior to the motion for an order of the Court approving distribution of the Net Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Settlement Notice.

(b) The Proof of Claim submitted by each Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims Administrator; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his current authority to act on behalf of the Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Proof of Claim, each Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall (subject to effectuation of the Settlement) release all Settled Claims as provided in the Stipulation.

10. Class Members shall be bound by all determinations and judgment in this Action with respect to the Raytheon Settlement, whether favorable or unfavorable, unless such persons

have previously requested exclusion from the Class in response to the Notice of Pendency. The persons and entities who requested exclusion from the Class in response to the Notice of Pendency are excluded from the Class and shall not be entitled to submit any Proof of Claim forms and shall not share in the Net Settlement Funds or Net Settlement Warrants. Except as to the PwC Settlement, no further opportunity to request exclusion need be given in this Action.

11. With respect to the PwC Settlement, Class Members shall be bound by all determinations and judgments in this Action, whether favorable or unfavorable, unless such persons request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to be excluded from the Class with respect to PwC and the PwC Settlement shall mail the request in written form by first class mail postmarked no later than \_\_\_\_\_, 2004 to the address designated in the Notice. Such request for exclusion shall clearly indicate the name, address and telephone number of the person seeking exclusion, that the sender requests to be excluded from the Class with respect to the PwC Settlement in the *In re Raytheon Securities Litigation*, and must be signed by such person. Such persons requesting exclusion are also directed to state: the date(s), price(s), and number(s) of shares of all purchases and sales of Raytheon Class A and/or Class B common stock during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

12. The Court will consider comments and/or objections to the Settlements, the Plan of Allocation, or the award of attorneys' fees and reimbursement of expenses only if such comments or objections and any supporting papers are filed in writing with the Clerk of the Court, United States District Court, John Joseph Moakley United States Courthouse, 1

Courthouse Way, Boston, Massachusetts 02210, and copies of all such papers are served, on or before \_\_\_\_\_, 2004, upon each of the following: Salvatore J. Graziano, Esq., Milberg Weiss Bershad & Schulman LLP, One Pennsylvania Plaza, New York, New York 10119-0165, on behalf of Lead Plaintiff and the Class; and John F. Batter III, Esq., Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, on behalf of the Raytheon Defendants, and Peter M. Casey, Esq., Foley Hoag LLP, Seaport World Trade Center West, 155 Seaport Boulevard, Boston, Massachusetts 02110-2660 on behalf of PwC. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlements, the Plan of Allocation, and/or the request for attorneys' fees are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlements, the Plan of Allocation, and/or counsel's application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

13. Pending final determination of whether the Settlements should be approved, the Lead Plaintiff, all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Settled Claims against any Released Party.

14. As provided in the Stipulation, Lead Counsel may pay the Claims Administrator the reasonable and customary fees and costs associated with giving notice to the Class and the

review of claims and administration of the Settlements out of the Gross Cash Settlement Fund without further order of the Court.

15. (a) If the PwC Settlement is terminated by PwC pursuant to paragraph 28 of the Stipulation, then the provisions of the Stipulation relating to the PwC Settlement and the provisions of this Preliminary Order certifying the Class for purposes of the PwC Settlement shall be null and void, of no further force or effect, and without prejudice to any party;

(b) If any specified condition set forth in the Stipulation is not satisfied, and as provided in paragraph 24 of the Stipulation, any or all of the Raytheon Defendants, PwC or the Lead Plaintiff elect to terminate their participation in the Raytheon Settlement and/or the PwC Settlement, then, in any such event, the Raytheon Settlement and/or the PwC Settlement provided for in the Stipulation, including any amendment(s) thereof, and the provisions of this Preliminary Order concerning the terminated settlement shall be null and void, of no further force or effect, and without prejudice to the parties to the terminated settlement, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party to the terminated settlement shall be restored to his, her or its respective position as it existed immediately prior to the execution of the memorandum of understanding on May 11, 2004, in the case of the Raytheon Defendants and May 25, 2004 in the case of PwC.

16. The Court retains exclusive jurisdiction over the Action to consider all further matters arising out of or connected with the Settlements, including jurisdiction over the funds held in escrow by the Escrow Agent as provided in paragraph 6(b) of the Stipulation.

Dated: Boston, Massachusetts  
\_\_\_\_\_, 2004

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Honorable Patti B. Saris  
United States District Judge