

# EXHIBIT D

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The number of Settlement Warrants having a value of \$200 million as of the Warrant Valuation Date shall be determined according to the Black-Scholes methodology as calculated using the criteria specified below.

- Type of Option:** Call
- Exercise Type:** American
- Model Type:** The Black-Scholes model available on the Bloomberg service page RTN Equity OV (Model Type 2 Black-Scholes) for Raytheon common stock using all of the criteria specified herein, rounded to the nearest 100,000<sup>th</sup> (i.e. \$0.00001 per option).
- Share Price:** The Bloomberg Volume Weighted Average Price ("VWAP") reported on the Bloomberg service page RTN Equity AQR for Raytheon common stock for the 20 contiguous trading days immediately preceding, and ending at 4:00 p.m., New York, New York time on the day before the Warrant Valuation Date, rounded to the nearest 10,000<sup>th</sup> (i.e. \$0.0001 per share).
- Strike Price:** \$37.50
- Time to Expiration:** 5 years
- Risk-free Rate:** The yield reported on the Bloomberg service page GT5 Govt GIT for the active (on-the-run) 5-year U.S. Treasury note as at 3:00 p.m., New York, New York time on the day immediately preceding the Warrant Valuation Date. Enter the 3:00 p.m. closing price into the Bloomberg Price-Yield Calculator to obtain the yield. Activate the calculator by entering Y <GO>, enter the price in Bloomberg format, and hit <GO>.
- Dividend Yield:** The greater of (i) \$0.80 divided by the VWAP, or (ii) the sum of the last four declared quarterly dividends on Raytheon common stock divided by the VWAP.
- Volatility:** The volume weighted average daily volatility reported on the Bloomberg service page RTN Equity HVG (pages 1 and 2) for Raytheon common stock for the five calendar years ending on the day immediately preceding the Warrant Valuation Date but excluding the 20 trading days beginning on and immediately following September 11, 2001 from such average.

In order to accommodate the mechanical limitations of Bloomberg, the following calculation method shall be used:

Using assumption of 250-Trading Days per year, the total 1,230 Trading Day weighted average daily volatility is calculated by linking successive 400 day periods (and the last period) to total 1,230 trading days (i.e. five 250-day years less 20 days). Respective period volatility must be squared (to obtain the variance), multiplied by the number of trading days in the period, and the resulting sum of all periods shall be divided by the total number of trading days to get the weighted average variance. The weighted average daily volatility is the square root of this variance.

On the HVG service page, the Market field shall be **V (VWAP)**, Period shall be **D (Daily)**, Currency shall be **USD (U.S. Dollars)**, Annualization Factor shall be **250** days.

**Trade Date:** The Warrant Valuation Date

**Settle Date:** The Warrant Valuation Date