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December 10, 1997

VIA FACSIMILE
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Lawrence Noble, Esq.
General Counsel
Federal Elections Commission
999 E Street, N.W.
Washington, D. C. 20463

Supplement to AOR 1997-25

Re: Advisory Opinion Request

Dear Mr. Noble:

This letter is a supplement to the advisory opinion request dated November 20, 1997 from Hughes Electronics Corporation ("HE"), a wholly owned subsidiary of General Motors Corporation ("GM").

We have requested that the Commission review our request at its meeting on January 15, 1998 rather than January 8, 1998 and, accordingly, agree that the time to respond to our request for an advisory opinion is extended to February 15, 1998.

As requested, we are providing herewith the following supplemental information:

- There are presently 16 members of the Board of Directors of General Motors Corporation.
- To the best of my knowledge, except for the three proposed directors who will serve on the Raytheon Company ("Raytheon") Board of Directors after the merger, there is no current plan to add any other HE or GM officer, director or employee to the Raytheon Board of Directors. To the best of my knowledge, there is no current plan to add any officer, director or employee of Raytheon to the GM or HE Boards of Directors.

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Lawrence Noble, Esq.
December 10, 1997
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- Other than the three proposed directors who will serve on the Raytheon Board, to the best of my knowledge, there is no current plan for any officer, director or employee of either Raytheon or HE to also serve as an officer, director or employee of the other entity. However, there will be two joint ventures, one involving 50-50 ownership of the advanced research laboratories by Raytheon and HE, and the other involving 50-50 ownership of a microwave devices supplier by Delco and Raytheon. Neither of these joint ventures is material when compared to the size of Raytheon, HE or Delco.
- The spin-off of HE Holdings, Inc. by GM and the merger of Raytheon into HE Holdings, Inc. will occur on the same day or on consecutive days.

Thank you for your efforts, and if you need any additional information please contact me.

Very truly yours,

HUGHES ELECTRONICS CORPORATION



Robert M. Hall

cc: Joann Costa
Cheryle Ushkow
Colleen C. McAndrews, Esq.
Daralyn Reed, Treasurer, HACF

→ Re: AOR 1997-25

More excerpts
from prospectus
submitted with
AOR letter.

DESCRIPTION OF THE HUGHES TRANSACTIONS

GENERAL

You are being asked to approve the Hughes Transactions. There are two principal steps to the Hughes Transactions: the Hughes Reorganization and the GM Spin-Off Merger. Each of these principal steps is described below.

If approved by GM's common stockholders and completed, the Hughes Transactions will have the following principal effects:

- Hughes Defense will be spun off in its entirety to the GM $1\frac{2}{3}$ Common Stockholders and the GM Class H Common Stockholders and it then will merge with Raytheon.
- Delco will be transferred from Hughes Electronics to General Motors such that the tracking stock interest in the earnings of Delco currently held by GM Class H Common Stockholders will be reallocated to GM $1\frac{2}{3}$ Common Stockholders and the operations of Delco can be more fully integrated with those of Delphi.
- GM Class H Common Stock will be recapitalized and converted into New GM Class H Common Stock, whose earnings pool for dividend purposes will track the financial performance of New Hughes Electronics.
- Hughes Telecom will receive up to \$4.0 billion of the proceeds of debt of Hughes Defense outstanding at the time of the Hughes Defense Spin-Off, which Hughes Telecom will use to fund its capital needs. Any proceeds in excess of \$4.0 billion will be made available to General Motors. The obligation to repay this debt will remain with Hughes Defense.

Organizational Charts Before and After the Hughes Transactions and the Raytheon Merger

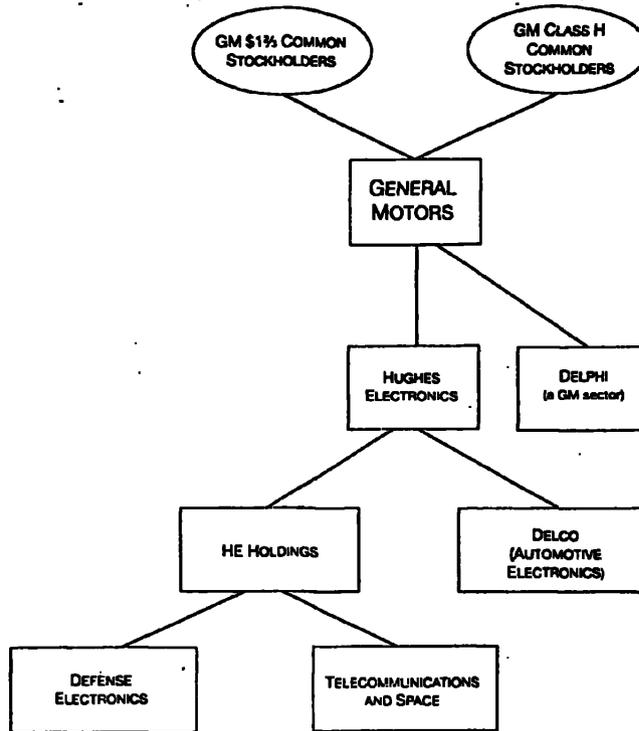
The following charts present in simplified form the organizational structure of General Motors and Hughes Electronics *before* the Hughes Transactions (including the Hughes Reorganization) and *after* the completion of the Hughes Transactions and the Raytheon Merger. The transactions are described in greater detail after the charts.

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REGISTRATION

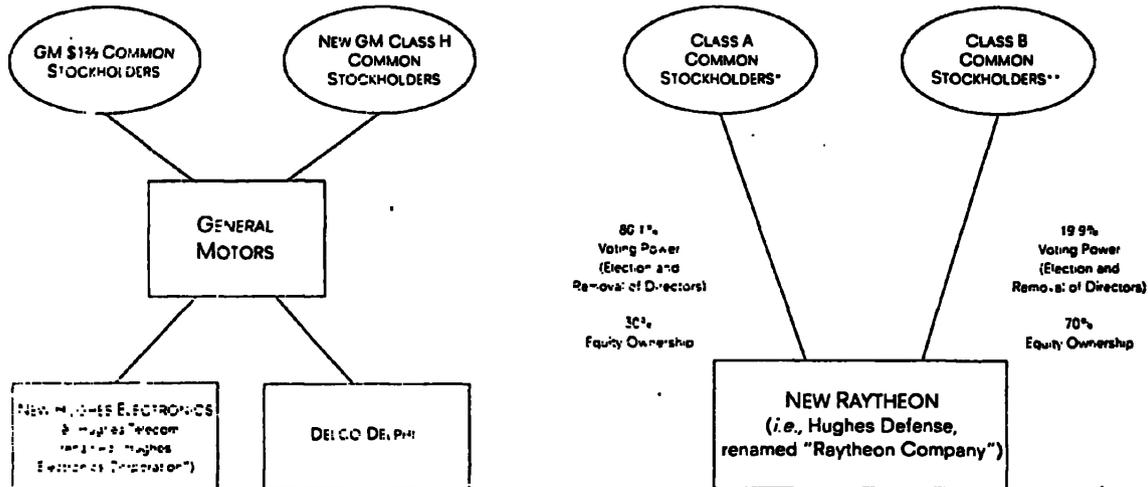
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Where only a part of the page is relevant, that part is denoted by a line in the right-hand column.

BEFORE THE HUGHES TRANSACTIONS



AFTER THE HUGHES TRANSACTIONS AND THE RAYTHEON MERGER



- * GM \$1 1/2% Common Stockholders and former GM Class H Common Stockholders (who will then also be New GM Class H Common Stockholders)
- ** Former Raytheon common stockholders

Hughes Reorganization

The Hughes Reorganization includes a number of preliminary transactions which are necessary to prepare Hughes Defense to be spun off to GM's common stockholders and to separate the businesses of Hughes Defense, Delco and Hughes Telecom. The Hughes Reorganization will be effected largely pursuant to transactions described in the Master Separation Agreement and the agreements contemplated thereby. See "Separation and Transition Arrangements" below.

The following is a description of certain significant aspects of the Hughes Reorganization:

- Certain assets and liabilities will be transferred among Hughes Defense, Delco and Hughes Telecom and their respective subsidiaries so that each will have the appropriate assets and liabilities for its business.
- Hughes Telecom will receive the proceeds of new debt (up to \$4.0 billion) incurred by Hughes Defense with third party lenders immediately prior to the Hughes Defense Spin-Off as contemplated by the Raytheon Merger Agreement. To the extent such proceeds exceed \$4.0 billion, the excess amount will be made available to General Motors through the repayment of intercompany loans made by Delco to Hughes Defense. Since Delco will be transferred to General Motors as part of the Hughes Transactions, such funds will effectively be made available to General Motors. See "Description of the Raytheon Merger—Raytheon Merger Agreement—Certain Covenants—Indebtedness" below.
- Hughes Electronics will be merged with General Motors. As a result, both Hughes Defense (*i.e.*, HE Holdings) and Delco will be direct wholly owned subsidiaries of General Motors.
- The subsidiary of Hughes Defense (*i.e.*, HE Holdings) which principally operates the defense electronics business, will be merged with Hughes Defense.
- Hughes Defense (*i.e.*, HE Holdings) will distribute 100% of the stock of Hughes Telecom to General Motors in a tax-free transaction. This distribution of Hughes Telecom stock constitutes the Hughes Telecom Spin-Off. In connection with the Hughes Telecom Spin-Off, Hughes Telecom will be renamed "Hughes Electronics Corporation."

After the completion of these components of the Hughes Reorganization, each of Hughes Defense, Delco and Hughes Telecom will be a direct wholly owned subsidiary of General Motors. Hughes Defense will hold all of the assets and liabilities of the defense electronics business of Hughes Electronics, Delco will continue to hold all of the assets and liabilities of the automotive electronics business of Hughes Electronics and Hughes Telecom will hold all of the assets and liabilities of the telecommunications and space business of Hughes Electronics.

As part of the Hughes Reorganization, Hughes Defense will recapitalize its capital stock so as to authorize Class A Common Stock, Class B Common Stock and preferred stock, which will be New Raytheon Preferred Stock upon consummation of the Raytheon Merger. These three classes of stock will represent all of the authorized capital stock of New Raytheon upon consummation of the Raytheon Merger. The Class A Common Stock (all of which will be held by General Motors after the transactions described above) will be distributed by General Motors to its common stockholders in the Hughes Defense Spin-Off. Immediately following the Hughes Defense Spin-Off, Hughes Defense and Raytheon will merge and Class B Common Stock will be issued to Raytheon's common stockholders in the Raytheon Merger. See "Description of the Raytheon Merger" below. For a description of Class A Common Stock and Class B Common Stock, see "New Raytheon Capital Stock" in Chapter 6.

Prior to the GM Spin-Off Merger, Hughes Defense will adopt a shareholder rights plan to be effective immediately prior to the GM Spin-Off Merger Effective Time, which will become the shareholder rights plan of New Raytheon upon the consummation of the Raytheon Merger. See "New Raytheon Capital Stock—New Raytheon Rights Agreement" in Chapter 6. Each share of Class A Common Stock distributed in the GM Spin-Off Merger, and each share of Class B Common Stock issued in the Raytheon Merger, will have a share purchase right attached to such share.

GM Spin-Off Merger

Subject to the terms and conditions of the GM Spin-Off Merger Agreement, Merger Sub, a wholly owned subsidiary of General Motors formed in order to effect the GM Spin-Off Merger, will merge with General Motors. General Motors will be the surviving corporation of the merger. Pursuant to the GM Spin-Off Merger, among other things, the following will occur:

- each outstanding share of GM Class H Common Stock will be recapitalized and converted automatically into one share of New GM Class H Common Stock and each GM Class H Common Stockholder will receive a distribution of Class A Common Stock in accordance with the Distribution Ratio;
- each outstanding share of GM \$1 $\frac{2}{3}$ Common Stock will remain outstanding and each GM \$1 $\frac{2}{3}$ Common Stockholder will receive a distribution of Class A Common Stock in accordance with the Distribution Ratio; and
- the GM Certificate of Incorporation will be amended to delete provisions relating to the GM Class H Common Stock and to add provisions setting forth the terms of the New GM Class H Common Stock.

For additional information regarding the Distribution Ratio, including the methodology used to determine the Distribution Ratio formula and the Net Transaction Effect, see "Special Factors—The Distribution Ratio" and "—Background of the Hughes Transactions—Development of the Hughes Transactions and the Raytheon Merger—September 23, 1997 Capital Stock Committee Meeting" and "—October 6, 1997 GM Board Meeting" above. For information regarding the provisions of the New GM Class H Common Stock, see "New GM Class H Common Stock" in Chapter 6.

Following the Hughes Reorganization and the GM Spin-Off Merger, Hughes Defense will be an independent, publicly held company, comprising the defense electronics business of Hughes Electronics. Immediately thereafter, Hughes Defense and Raytheon will merge. See "Description of the Raytheon Merger" below.

GM SPIN-OFF MERGER AGREEMENT

Introduction

As described above, several components of the Hughes Transactions will be effected pursuant to the GM Spin-Off Merger. The GM Spin-Off Merger will be consummated pursuant to the GM Spin-Off Merger Agreement. The following is a summary description of the principal provisions of the GM Spin-Off Merger Agreement.

The description of the GM Spin-Off Merger Agreement set forth below, which summarizes the material terms of the agreement, does not purport to be complete and is qualified in its entirety by reference to the GM Spin-Off Merger Agreement, a copy of which is attached as Appendix A to this document and is incorporated into this document by reference. We therefore urge you to read the GM Spin-Off Merger Agreement, including Exhibit A thereto, carefully.

Effectiveness of the GM Spin-Off Merger

Promptly following the satisfaction or waiver of the conditions to the GM Spin-Off Merger set forth in the GM Spin-Off Merger Agreement, the parties will file a certificate of merger with the Secretary of State of the State of Delaware, at which time (or at such later time as set forth in the certificate of merger) the GM Spin-Off Merger will become effective. At the GM Spin-Off Merger Effective Time, Merger Sub will merge with General Motors and the separate corporate existence of Merger Sub will cease. General Motors will be the surviving corporation of the GM Spin-Off Merger. The Raytheon Merger will be completed immediately after the GM Spin-Off Merger Effective Time.

DESCRIPTION OF THE RAYTHEON MERGER

GENERAL

Overview

Immediately after the completion of the Hughes Defense Spin-Off and the other Hughes Transactions, Raytheon and Hughes Defense will consummate the Raytheon Merger. Hughes Defense will be the surviving corporation of this merger and will be renamed "Raytheon Company." Pursuant to the Raytheon Merger, among other things,

- each whole share of Class A Common Stock distributed to GM common stockholders in the Hughes Defense Spin-Off will remain outstanding and will be unchanged;
- all fractional shares of Class A Common Stock distributed to GM's common stockholders in the Hughes Defense Spin-Off will be converted into an equivalent number of fractional shares of Class B Common Stock, which will then be aggregated and sold by the Raytheon Merger Exchange Agent and the proceeds distributed to the owners of such fractional shares on a pro rata basis; and
- each outstanding share of Raytheon Common Stock will be converted into one share of Class B Common Stock.

See "—Raytheon Merger Agreement" below.

Immediately following the Raytheon Merger, the Class A Common Stock will represent approximately 30% of the common stock of New Raytheon and the Class B Common Stock will represent approximately 70% of the common stock of New Raytheon. The Class A Common Stockholders will be entitled, in the aggregate, to 80.1% of the total voting power of New Raytheon for the election and removal of directors. The Class B Common Stockholders will be entitled, in the aggregate, to 19.9% of the total voting power of New Raytheon for the election and removal of directors. With respect to all other matters, separate class approvals of the Class A Common Stockholders and the Class B Common Stockholders will be required. See "New Raytheon Capital Stock" in Chapter 6. Class A Common Stock and Class B Common Stock will be identical in all other respects. General Motors, Hughes Defense and Raytheon agreed to the terms of the Class A Common Stock and the Class B Common Stock for the sole purpose of permitting General Motors to obtain the IRS Ruling described herein with respect to the U.S. federal income tax consequences of the Hughes Defense Spin-Off and certain related transactions. The IRS Ruling is premised on the fact that GM's common stockholders will receive in the Hughes Defense Spin-Off stock possessing at least 80% of the voting power in the election of directors of New Raytheon.

Indicated Value of the Hughes Defense Spin-Off and the Raytheon Merger to General Motors and Its Common Stockholders

Under the terms of the Raytheon Merger Agreement, the Hughes Defense Spin-Off and the Raytheon Merger have a total indicated value of approximately \$9.5 billion to General Motors and its common stockholders based on the Recent Raytheon Stock Price. We believe that this value represents a substantial premium to the enterprise value of Hughes Defense under the current General Motors and Hughes Electronics ownership structure. The spin-off and merger transactions would have a total indicated value of \$9.5 billion so long as the market price of Raytheon Common Stock is within a collar ranging from \$44.42 to \$54.29 per share. Raytheon stock prices above \$54.29 per share would result in transaction values higher than \$9.5 billion, while Raytheon stock prices below \$44.42 per share would result in transaction values less than \$9.5 billion.

This total transaction value consists of a combination of:

- the Class A Common Stock to be distributed to GM's common stockholders in the Hughes Defense Spin-Off, which has an indicated value of approximately \$5.2 billion based on the Recent Raytheon Stock Price; and

DIRECTORS AND EXECUTIVE OFFICERS OF NEW HUGHES ELECTRONICS

After the Hughes Transactions, it is expected that all nine of the current members of the Hughes Electronics Board will initially serve as directors of New Hughes Electronics, including three directors who are also independent directors of General Motors (one of whom is also a member of the Capital Stock Committee of the GM Board), three directors who are executive officers of General Motors and three directors who will be executive officers of Hughes Telecom. For information regarding recent changes to the Hughes Electronics senior management team, see "Recent Developments—New Leadership Team at Hughes Electronics" in Chapter 1.

Set forth below are the names, ages and positions with New Hughes Electronics upon the consummation of the Hughes Transactions of the persons expected to be directors and executive officers of New Hughes Electronics immediately after such consummation.

Directors

<u>Name</u>	<u>Age</u>	<u>Position</u>
Michael T. Smith	54	Chairman of the Board
Steven D. Dorfman	62	Director
Charles T. Fisher, III	67	Director
J. Michael Losh	51	Director
Charles H. Noski	45	Director
Harry J. Pearce	55	Director
Eckhard Pfeiffer	56	Director
John F. Smith, Jr.	59	Director
Thomas H. Wyman	67	Director

Executive Officers

<u>Name</u>	<u>Age</u>	<u>Position</u>
Michael T. Smith	54	Chief Executive Officer
Charles H. Noski	45	President
Steven D. Dorfman	62	Vice Chairman
Roxanne S. Austin	36	Senior Vice President and Chief Financial Officer
Gareth C. C. Chang	54	Senior Vice President
Jack A. Shaw	58	Senior Vice President
Marcy Tiffany	48	Vice President and General Counsel
Ted G. Westerman	61	Senior Vice President

Set forth below are the persons expected to have primary responsibility for the business segments of New Hughes Electronics after the consummation of the Hughes Transactions.

<u>Name</u>	<u>Age</u>	<u>Business Segment</u>
Steven D. Dorfman	62	Satellite Manufacturing
Jack A. Shaw	58	Network Systems
Eddy W. Hartenstein	46	Direct-To-Home Broadcast
Frederick C. Landman	49	Satellite Services

NEW RAYTHEON MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

Board of Directors

The Hughes Defense Board currently has three members. The Raytheon Merger Agreement provides that, effective as of the Raytheon Merger Effective Time, the New Raytheon Board will be constituted as set forth below. A majority of such persons will not be employees of New Raytheon.

Name	Age
Ferdinand Colloredo-Mansfeld	57
Steven D. Dorfman	62
Theodore L. Eliot, Jr.	69
Thomas E. Everhart	65
John R. Galvin	68
Barbara B. Hauptfuhrer	69
Richard D. Hill	78
L. Dennis Kozlowski	51
James N. Land, Jr.	68
A. Lowell Lawson	59
Charles H. Noski	45
Thomas L. Phillips	73
Dennis J. Picard	65
Warren B. Rudman	67
Alfred M. Zeien	67

The New Raytheon Board will be divided into three classes serving staggered terms. Directors in each class will be elected to serve for three-year terms and until their successors are elected and qualified. Each year, the directors of one class will stand for election as their terms of office expire.

Set forth below is a description of the backgrounds of the persons expected to be directors of New Raytheon.

Ferdinand Colloredo-Mansfeld. Current director of Raytheon. Chairman and Chief Executive Officer, Cabot Partners, since October 1990. Prior thereto, Chairman and Chief Executive Officer, Cabot, Cabot & Forbes Realty Advisers, Inc. (predecessor of Cabot Partners) and Chairman, Chief Executive Officer and President of Cabot, Cabot and Forbes from 1986. Principal Business: Real Estate Investment and Management. Director: Shawmut National Corporation; Data General Corporation; Chairman, Massachusetts General Hospital.

Steven D. Dorfman. Vice Chairman and director of Hughes Electronics; Chairman of the Hughes Telecommunications and Space Company. Prior thereto, President and Chief Executive Officer of Hughes Space and Communications Company. Director: American Mobile Satellite Corporation; Galaxy Latin America and PanAmSat Corporation.

Theodore L. Eliot, Jr. Current director of Raytheon. Dean Emeritus of the Fletcher School of Law and Diplomacy, Tufts University; former U.S. Ambassador. Director: Neurobiological Technologies, Inc. and Fiberstars, Inc.

Thomas E. Everhart. President and Professor of Electrical Engineering and Applied Physics, California Institute of Technology, Pasadena. Prior thereto, Chancellor of University of Illinois, Urbana-Champaign. Director: General Motors Corporation; Hewlett-Packard Corporation; Saint-Gobain Corporation; Reveo, Inc.; Corporation for National Research Initiatives; Community Television of Southern California (KCET).

John R. Galvin. Current director of Raytheon. Dean of the Fletcher School of Law and Diplomacy, Tufts University. General Galvin retired from the U.S. Army in 1992 after a 38-year career which included positions as NATO Supreme Allied Commander Europe and Commander-in-Chief, U.S. European Command. From 1992 to 1994, General Galvin served as the Olin Distinguished Professor of National Security at the U.S. Military Academy at West Point. In 1994 and 1995 he was a visiting professor at the Mershon Center, The Ohio State University. Director: USLife Corporation and Director or Trustee, the Seligman Group of Investment Companies. Trustee: Institute for Defense Analyses.

Barbara B. Hauptfuhler. Current director of Raytheon. Principal Business: Corporate Director. Director: The Vanguard Group of Investment Companies and each of the mutual funds in the Vanguard Group; The Great Atlantic and Pacific Tea Co., Inc.; Knight-Ridder, Inc.; Massachusetts Mutual Life Insurance Company; Ikon Business Solutions, Inc.; Trustee Emerita, Wellesley College.

Richard D. Hill. Current director of Raytheon. Retired Chairman, Bank of Boston Corporation and The First National Bank of Boston. Principal Business: Corporate Director.

L. Dennis Kozlowski. Current director of Raytheon. Chairman of the Board and Chief Executive Officer of Tyco International Ltd. since 1992. Prior thereto Mr. Kozlowski served as President of Tyco from 1989. Principal business: Fire Protection Systems. Director: Tyco International Ltd.; Dynatech Corporation; Thiokol Corporation and Applied Power, Inc.

James N. Land, Jr. Current director of Raytheon. Principal Business: Corporate Financial Advisor. Director: E.W. Blanch Holdings, Inc.

A. Lowell Lawson. Current director of Raytheon. Executive Vice President of Raytheon since April 1995 and Chairman of the Board and Chief Executive Officer of E-Systems, Inc. since January 1994. Prior thereto Mr. Lawson served as President of E-Systems from April 1989 and Executive Vice President of E-Systems from April 1987.

Charles H. Noski. President and director of Hughes Electronics, since October 20, 1997. Prior thereto, Executive Vice President and Chief Financial Officer, United Technologies Corporation (August 1997 to October 17, 1997). Prior thereto, Vice Chairman and Chief Financial Officer, Hughes Electronics (1996 to 1997) and Senior Vice President and Chief Financial Officer, Hughes Electronics (1992 to 1996). Director: PanAmSat Corporation.

Thomas L. Phillips. Current director of Raytheon. Retired Chairman of the Board and Chief Executive Officer, Raytheon Company. Director: John Hancock Mutual Life Insurance Company; Knight-Ridder, Inc.; Digital Equipment Corporation; Systems Research and Applications. Trustee: State Street Research Funds; MetLife-State Street Funds.

Dennis J. Picard. Chairman of the Board and Chief Executive Officer of Raytheon since March 1, 1991. Prior thereto, President from 1989 and Senior Vice President, General Manager of the Missile Systems Division of Raytheon from 1983. Director: State Street Boston Corporation.

Warren B. Rudman. Current director of Raytheon. Partner, law firm of Paul, Weiss, Rifkind, Wharton and Garrison since January 1992. Principal Business: Law. Prior thereto, United States Senator from 1980 through January 1992. Director: Chubb Corporation; Collins & Aikman Corporation; Prime Succession, Inc.; several mutual funds managed by Dreyfus Corporation.

Alfred M. Zeien. Current director of Raytheon. Chairman of the Board and Chief Executive Officer of The Gillette Company since 1991. Prior thereto, President of Gillette from 1991 and as Vice Chairman, Gillette International/Diversified Operations from 1988. Principal Business: Consumer Goods and Services. Director: Bank of Boston; The Gillette Company; Polaroid Corporation; Massachusetts Mutual Life Insurance Company.

Committees

Pursuant to the Raytheon Merger Agreement, from and after the Raytheon Merger Effective Time, the following three new committees will be created: (1) the Board Transition Committee; (2) the Management Transition Committee; and (3) the Defense Business Executive Council. Set forth below is a brief description of the duties and composition of these new committees as well as the composition of the Audit Committee and the Nominating Committee of New Raytheon.

Board Transition Committee. The Board Transition Committee will be responsible for resolving issues relating to the integration of the businesses, facilities, functions and employees of Hughes Defense, Raytheon and Texas Instruments Defense at the New Raytheon Board level. The Board Transition Committee will be comprised of two directors affiliated with Raytheon and two directors affiliated with Hughes Defense (Messrs. Dorfman and Noski) and will be chaired by Mr. Noski.

Other Board Committees. As of the Raytheon Merger Effective Time, the Audit Committee will be comprised of three directors affiliated with Raytheon and one director affiliated with Hughes Defense (Mr. Dorfman) and the Nominating Committee will be comprised of five directors affiliated with Raytheon and one director affiliated with General Motors (Mr. Everhart).

Management Committees. The Management Transition Committee, which will be comprised of three management personnel affiliated with Raytheon and three management personnel affiliated with Hughes Defense, will be responsible for supervising and implementing the integration of the businesses, facilities, functions and employees of Hughes Defense, Raytheon and Texas Instruments Defense. The Defense Business Executive Council, which will be comprised of four management personnel affiliated with Raytheon and four management personnel affiliated with Hughes Defense, will supervise and manage the combined defense businesses of Hughes Defense, Raytheon and Texas Instruments Defense on an ongoing basis and will serve as a vehicle for planning, communication and decision making on issues involving such combined businesses.

The New Raytheon Board may, from time to time, establish other committees to facilitate the management of New Raytheon or for other purposes it may deem appropriate.

Officers

The Raytheon Merger Agreement provides that the officers of Raytheon immediately prior to the Raytheon Merger Effective Time will be the officers of New Raytheon immediately following the Raytheon Merger Effective Time. Accordingly, effective as of the Raytheon Merger Effective Time, the executive officers of New Raytheon are expected to be as set forth below.

Name	Age	Positions
Gail P. Anderson	55	Vice President—Human Resources
Shay D. Assad	47	Vice President—Contracts
Renso L. Caporali	64	Senior Vice President Engineering and Business Development
Philip W. Cheney	61	Vice President and Group Executive—Commercial Electronics
Kenneth H. Colburn	46	Vice President—Project and International Finance
Peter R. D'Angelo	59	Executive Vice President—Chief Financial Officer
Herbert Deitcher	64	Senior Vice President—Treasurer
David S. Dwelley	58	Vice President—Strategic Business Development
Michele C. Heid	43	Vice President—Corporate Controller and Investor Relations
Christoph L. Hoffmann	53	Executive Vice President—Law, Corporate Administration, and Secretary
Thomas D. Hyde	48	Vice President and General Counsel
A. Lowell Lawson	59	Executive Vice President and Chairman and Chief Executive Officer of Raytheon E-Systems, Inc.
Robert S. McWade	41	Vice President—Corporate Affairs and Communications Executive Vice President and Chairman and Chief Executive Officer of Raytheon Engineers & Constructors International, Inc.
Charles Q. Miller	52	Raytheon Engineers & Constructors International, Inc.
Dennis J. Picard	65	Chairman and Chief Executive Officer
Robert A. Skelly	55	Vice President—Assistant to the Executive Office
William H. Swanson	49	Executive Vice President and General Manager—Raytheon Electronic Systems Division
Arthur E. Wegner	60	Executive Vice President and Chairman and Chief Executive Officer of Raytheon Aircraft Company

Executive officers serve at the discretion of the New Raytheon Board.

For a brief description of the backgrounds of the persons expected to be executive officers of New Raytheon upon the consummation of the Hughes Transactions and the Raytheon Merger, please refer to the Raytheon 1996 Form 10-K, which is incorporated into this document by reference. See "Where You Can Find More Information" in Chapter 7.

DIRECTOR AND EXECUTIVE COMPENSATION

The directors and executive officers of New Raytheon will receive no compensation from New Raytheon prior to the Raytheon Merger Effective Time. Certain of the directors and executive officers of New Raytheon are presently directors and/or executive officers of Raytheon and are entitled to compensation and/or certain other employment benefits from Raytheon prior to the Raytheon Merger Effective Time.

The New Raytheon Board will rely on its Compensation Committee, which will be composed of non-employee directors, to recommend the form and amount of compensation to be paid to New Raytheon's executive officers. Raytheon's current retirement, incentive and stock purchase plans for its directors and executive officers generally will apply to New Raytheon's directors and executive officers. These plans are and will continue to be subject to change from time to time. In addition, in connection with the Raytheon Merger, the following plans, each of which provides for the issuance of "incentive stock options" as defined in Section 422(b) of the Code, will be assumed by New Raytheon and will continue in full force and effect as plans of New Raytheon following the Raytheon Merger: the Raytheon Company 1991 Stock Plan and the Raytheon Company 1995 Stock Option Plan.

For information regarding compensation paid to directors and executive officers of Raytheon in 1996 and the above-mentioned plans, as well as compensation committee interlocks and insider participation, please refer to the Raytheon 1996 Form 10-K, which is incorporated into this document by reference. See "Where You Can Find More Information" in Chapter 7.

among other things, assuring a process of fair dealing between General Motors and Hughes Electronics as well as fair consideration of the interests of all of GM's common stockholders in the resolution of such matters.

After the Hughes Transactions, the Capital Stock Committee will continue to have the same oversight role with respect to the relationship between General Motors and New Hughes Electronics, dividend policies and practices of General Motors and such other matters as have the potential to have differing effects on holders of both classes of GM common stock as it currently does with respect to General Motors and Hughes Electronics.

BOARD OF DIRECTORS

The Hughes Electronics Board currently has nine members. Three directors are independent directors of General Motors (one of whom is also a member of the Capital Stock Committee of the GM Board), three directors are executive officers of General Motors and three directors are executive officers of Hughes Electronics. Those directors of Hughes Electronics who are also executive officers of General Motors devote a substantial amount of their time to the business and affairs of General Motors and its other subsidiaries or to the oversight thereof.

We expect that the persons currently serving as directors of Hughes Electronics will become directors of New Hughes Electronics. We are continuing to review the composition of the New Hughes Electronics board of directors and may make changes to the composition of the board following the completion of the Hughes Transactions. For additional information regarding the New Hughes Electronics board, see "Business of Hughes Telecom—Directors and Executive Officers of New Hughes Electronics" in Chapter 4.

NEW GM BOARD POLICY STATEMENT

In connection with its determination of the terms of the New GM Class H Common Stock, the GM Board reviewed its policies and practices with respect to GM's dual-class common stock capital structure and adopted, subject to the consummation of the Hughes Transactions, the following policy statement:

GENERAL MOTORS CORPORATION BOARD OF DIRECTORS

GM BOARD POLICY STATEMENT REGARDING CERTAIN CAPITAL STOCK MATTERS

(A) General Policy. It is the policy of the Board of Directors of General Motors Corporation (the "GM Board"):

(1) that all material matters as to which the holders of the two classes of GM common stock may have potentially divergent interests shall be resolved in a manner which the GM Board determines to be in the best interests of General Motors Corporation and all of its common stockholders after giving fair consideration to the potentially divergent interests and all other relevant interests of the holders of the separate classes of GM common stock; and

(2) that a process of fair dealing shall govern the relationship between GM and HEC and the means by which the terms of any material transaction between them shall be determined.

(B) Additional Matters. In relation to the foregoing policy, it is the further policy of the GM Board that:

(1) Quarterly Dividends.

(a) In contemplation of the GM Board's duty periodically to consider an appropriate dividend policy and practice in relation to Class H Common Stock and its expectation that the Board of Directors of HEC (the "HEC Board") shall, at least annually, consider and determine a quarterly dividend policy with respect to the common stock of HEC (100% of which is held by GM), the GM Board shall, at least annually, determine a quarterly dividend policy with respect to the Class H Common Stock.

NEW RAYTHEON CAPITAL STOCK

INTRODUCTION

Under the New Raytheon Certificate of Incorporation, the authorized capital stock of New Raytheon will consist of Class A Common Stock, par value \$0.01 per share, Class B Common Stock, par value \$0.01 per share, and New Raytheon Preferred Stock, par value \$0.01 per share.

Holders of both classes of GM common stock will receive Class A Common Stock in the GM Spin-Off Merger. Upon the consummation of the Raytheon Merger (pursuant to which the then outstanding Raytheon Common Stock will be converted on a share-for-share basis into Class B Common Stock of New Raytheon), Class A Common Stock will be one of two classes of common stock of New Raytheon, neither of which will be a "tracking stock." There are no current plans for the New Raytheon Board to issue New Raytheon Preferred Stock.

The following descriptions of New Raytheon Capital Stock (1) are summaries and do not purport to be complete and (2) give effect to the consummation of the Hughes Defense Spin-Off and the Raytheon Merger. See "Description of the Hughes Transactions" and "Description of the Raytheon Merger" in Chapter 3 and "Comparison of GM Class H Common Stock, New GM Class H Common Stock and Class A Common Stock" above. Reference is also made to the more detailed provisions of, and such descriptions are qualified in their entirety by reference to, the forms of the New Raytheon Certificate of Incorporation and the New Raytheon By-Laws, copies of which are filed with the SEC as exhibits to a registration statement of which this document is a part.

COMMON STOCK

With respect to the election or removal of directors, (1) Class A Common Stockholders, representing approximately 30% of the equity ownership of New Raytheon as of immediately after the Raytheon Merger Effective Time, will be entitled to such number of votes for each share of Class A Common Stock as shall be necessary to entitle the holders of all shares of Class A Common Stock to vote, in the aggregate, 80.1% of the total voting power of all holders of New Raytheon Common Stock and (2) Class B Common Stockholders, representing approximately 70% of the equity ownership of New Raytheon as of immediately after the Raytheon Merger Effective Time, will be entitled to one vote for each share of Class B Common Stock, which votes shall represent, in the aggregate, 19.9% of the total voting power of all holders of New Raytheon Common Stock. The New Raytheon Board will determine the number of votes for each share of Class A Common Stock outstanding promptly following the fixing of a record date for each annual or special meeting of stockholders at which directors are to be elected or a vote with respect to removal of directors is to be taken. A plurality of votes cast shall elect directors. With respect to all stockholder matters other than the election and removal of directors, the Class A Common Stockholders and the Class B Common Stockholders will each be entitled to a single vote per share and the approval of any such matter will require the approval of both classes of New Raytheon Common Stock, each voting as a separate class. Except as may be provided in connection with any class or series of New Raytheon Preferred Stock issued from time to time or as may otherwise be required by law or the New Raytheon Certificate of Incorporation, the New Raytheon Common Stock will be the only capital stock of New Raytheon entitled to vote in the election and removal of directors and other matters presented to the stockholders of New Raytheon from time to time. The New Raytheon Common Stock will not have cumulative voting rights.

Under Delaware law and the New Raytheon Certificate of Incorporation, the New Raytheon Board will not be required to declare dividends on either class of New Raytheon Common Stock. The New Raytheon Board reserves the right to reconsider from time to time its policies and practices regarding dividends on New Raytheon Common Stock and to increase or decrease the dividends paid on New Raytheon Common Stock on the basis of New Raytheon's consolidated financial position, including liquidity, and other factors. Subject to the rights of holders of New Raytheon Preferred Stock (if any) and applicable law, the Class A Common Stockholders and the Class B Common Stockholders will be entitled to receive such dividends as may be