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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                         |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS</u>                                                                                                                                                                                                                                                                                                                           | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>022</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>02/25/2005</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>022</u>                                                  | <b>1c</b> Effective date of plan<br><u>02/25/2005</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                                                                                                                                                                                                                          | <u>022</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>02/25/2005</u>                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><br><u>L-3 COMMUNICATIONS CORPORATION</u><br><br><br><div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <u>600 THIRD AVENUE</u><br/> <u>NEW YORK, NY 10016-1901</u> </div> <div style="width: 45%;"> <u>76 GETTY STREET</u><br/> <u>MUSKEGON, MI 49442</u> </div> </div> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>13-3937436</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>212-697-1111</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>334200</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>13-3937436</u> | <b>2c</b> Sponsor's telephone number<br><u>212-697-1111</u> | <b>2d</b> Business code (see instructions)<br><u>334200</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>13-3937436</u>                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>212-697-1111</u>                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>334200</u>                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 09/16/2011 | PAT HEMPHILL                                                 |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)  
v.092307.1

|                                                                                                                                                                                                                       |                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br><b>L-3 COMMUNICATIONS CORPORATION</b><br><br><b>600 THIRD AVENUE</b><br><b>NEW YORK, NY 10016-1901</b>                     | <b>3b</b> Administrator's EIN<br><b>13-3937436</b>                |
|                                                                                                                                                                                                                       | <b>3c</b> Administrator's telephone number<br><b>212-697-1111</b> |
|                                                                                                                                                                                                                       |                                                                   |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN                                 |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                               | <b>5</b>                                                          |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                |                                                                   |
| <b>a</b> Active participants.....                                                                                                                                                                                     | <b>6a</b>                                                         |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                    | <b>6b</b>                                                         |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                     | <b>6c</b>                                                         |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                              | <b>6d</b>                                                         |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                             | <b>6e</b>                                                         |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                               | <b>6f</b>                                                         |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                        | <b>6g</b>                                                         |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                            | <b>6h</b>                                                         |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                  | <b>7</b>                                                          |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:<br><b>1A 1G 3F 3H</b>                                     |                                                                   |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:                                                            |                                                                   |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor                                                                                                                              | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                   |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>a Pension Schedules</b><br><b>(1)</b> <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><b>(2)</b> <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br><b>(3)</b> <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br><b>(1)</b> <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br><b>(2)</b> <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br><b>(3)</b> <input type="checkbox"/> <b>A</b> (Insurance Information)<br><b>(4)</b> <input type="checkbox"/> <b>C</b> (Service Provider Information)<br><b>(5)</b> <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br><b>(6)</b> <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                 |                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div>SCHEDULE SB<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div> | <div>Single-Employer Defined Benefit Plan<br/>Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div> | <div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection</div> |
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

Round off amounts to nearest dollar.  
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                      |                                                                  |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <div>A Name of plan<br/>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS</div> | <div>B Three-digit plan number (PN) 022</div>                    |
| <div>C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br/>L-3 COMMUNICATIONS CORPORATION</div>      | <div>D Employer Identification Number (EIN)<br/>13-3937436</div> |

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

|     |                                                                                                                                                                                           |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Enter the valuation date: Month 01 Day 01 Year 2010                                                                                                                                       |
| 2   | Assets:                                                                                                                                                                                   |
| a   | Market value 2a 19441321                                                                                                                                                                  |
| b   | Actuarial value 2b 20356681                                                                                                                                                               |
| 3   | Funding target/participant count breakdown                                                                                                                                                |
|     | (1) Number of participants (2) Funding Target                                                                                                                                             |
| a   | For retired participants and beneficiaries receiving payment 3a 22 5502697                                                                                                                |
| b   | For terminated vested participants 3b 11 527104                                                                                                                                           |
| c   | For active participants:                                                                                                                                                                  |
| (1) | Non-vested benefits 3c(1) 1498291                                                                                                                                                         |
| (2) | Vested benefits 3c(2) 14190729                                                                                                                                                            |
| (3) | Total active 3c(3) 164 15689020                                                                                                                                                           |
| d   | Total 3d 197 21718821                                                                                                                                                                     |
| 4   | If the plan is at-risk, check the box and complete items (a) and (b) <input type="checkbox"/>                                                                                             |
| a   | Funding target disregarding prescribed at-risk assumptions 4a                                                                                                                             |
| b   | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b |
| 5   | Effective interest rate 5 6.69 %                                                                                                                                                          |
| 6   | Target normal cost 6 1772106                                                                                                                                                              |

Statement by Enrolled Actuary  
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                      |                                                                        |                                                           |
|----------------------|------------------------------------------------------------------------|-----------------------------------------------------------|
| <div>SIGN HERE</div> | <div>Signature of actuary<br/>MICHAEL KARLIN, FSA, EA, MAAA</div>      | <div>Date<br/>11-02683</div>                              |
|                      | <div>Type or print name of actuary<br/>SIBSON CONSULTING</div>         | <div>Most recent enrollment number<br/>212-251-5000</div> |
|                      | <div>Firm name<br/>333 W 34TH STREET<br/>NEW YORK, NY 10001-2402</div> | <div>Telephone number (including area code)</div>         |
|                      | <div>Address of the firm</div>                                         |                                                           |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

| <b>Part II</b>                                                                                           | <b>Beginning of year carryover and prefunding balances</b> |                        |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------|
|                                                                                                          | (a) Carryover balance                                      | (b) Prefunding balance |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... |                                                            |                        |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         |                                                            |                        |
| <b>9</b> Amount remaining (Item 7 minus item 8).....                                                     | 0                                                          | 0                      |
| <b>10</b> Interest on item 9 using prior year's actual return of _____% .....                            |                                                            |                        |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                                                            |                        |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                                                            |                        |
| <b>b</b> Interest on (a) using prior year's effective rate of _____% .....                               |                                                            |                        |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                                                            | 0                      |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                           |                                                            |                        |
| <b>12</b> Reduction in balances due to elections or deemed elections.....                                |                                                            |                        |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....              | 0                                                          | 0                      |

| <b>Part III</b>                                                                                                                                                           | <b>Funding percentages</b> |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------|
| <b>14</b> Funding target attainment percentage.....                                                                                                                       | <b>14</b>                  | 93.72 % |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b>                  | %       |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b>                  | %       |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b>                  | %       |

| <b>Part IV</b>                                                                           | <b>Contributions and liquidity shortfalls</b> |                                 |                          |                                   |                                 |   |
|------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|---|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                               |                                 |                          |                                   |                                 |   |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s)             | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |   |
|                                                                                          |                                               |                                 |                          |                                   |                                 |   |
|                                                                                          |                                               |                                 |                          |                                   |                                 |   |
|                                                                                          |                                               |                                 |                          |                                   |                                 |   |
|                                                                                          |                                               |                                 |                          |                                   |                                 |   |
|                                                                                          |                                               |                                 |                          |                                   |                                 |   |
|                                                                                          |                                               |                                 |                          |                                   |                                 |   |
| <b>Totals ►</b>                                                                          |                                               |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b>                    | 0 |

|                                                                                                                                      |                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                          |
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years.....                                   | <b>19a</b>                                               |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                   | <b>19b</b>                                               |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....               | <b>19c</b>                                               |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                          |                                                          |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? .....                                                           | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....                   | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <b>c</b> If 20a is "Yes," see instructions and complete the following table as applicable:                                           |                                                          |
| Liquidity shortfall as of end of Quarter of this plan year                                                                           |                                                          |
| (1) 1st                                                                                                                              | (2) 2nd                                                  |
| (3) 3rd                                                                                                                              | (4) 4th                                                  |
|                                                                                                                                      |                                                          |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                   |                   |                   |                   |                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                          |                   |                   |                   |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                           | 1st segment:<br>% | 2nd segment:<br>% | 3rd segment:<br>% | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                      |                   |                   |                   | <b>21b</b>                                          |
| <b>22</b> Weighted average retirement age .....                                                                                                                                   |                   |                   |                   | <b>22</b>                                           |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                   |                   |                   |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....                   | <b>27</b> 3                                              |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                            | <b>28</b> |   |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)..... | <b>29</b> |   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions).....                                                                                                        | <b>31</b>           |                    |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                |                     |                    |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                     |                    |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....                                                   | <b>34</b>           | 0                  |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          |                     | Total balance      |
|                                                                                                                                                                                      |                     | 0                  |
| <b>36</b> Additional cash requirement (item 34 minus item 35).....                                                                                                                   | <b>36</b>           | 0                  |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....                                                   | <b>37</b>           |                    |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions).....                                                                                            | <b>38</b>           | 0                  |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....                                                                       | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2010</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                                        |                                                                        |            |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------|
| For calendar plan year 2010 or fiscal plan year beginning <b>01/01/2010</b> and ending <b>12/31/2010</b>               |                                                                        |            |
| <b>A</b> Name of plan<br><b>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS</b> | <b>B</b> Three-digit plan number (PN) ►                                | <b>022</b> |
|                                                                                                                        |                                                                        |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>L-3 COMMUNICATIONS CORPORATION</b>                 | <b>D</b> Employer Identification Number (EIN)<br><br><b>13-3937436</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | 459780                | 827969          |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 19005755              | 22543566        |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 19465535              | 23371535        |

**Liabilities**

|                                                                           |           |       |       |
|---------------------------------------------------------------------------|-----------|-------|-------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |       |       |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 70547 | 64677 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |       |       |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |       |       |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 70547 | 64677 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 19394988 | 23306858 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income****a Contributions:**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 2191969    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 2191969   |

**b Earnings on investments:****(1) Interest:**

|                                                                                                      |                 |  |  |
|------------------------------------------------------------------------------------------------------|-----------------|--|--|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> |  |  |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |  |  |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> |  |  |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |  |  |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> |  |  |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |  |  |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |  |  |

|                                                                                           |                 |  |  |
|-------------------------------------------------------------------------------------------|-----------------|--|--|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |  |  |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> |  |  |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> |  |  |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |  |  |

|                 |              |  |  |
|-----------------|--------------|--|--|
| (3) Rents ..... | <b>2b(3)</b> |  |  |
|-----------------|--------------|--|--|

|                                                                                           |                 |  |  |
|-------------------------------------------------------------------------------------------|-----------------|--|--|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> |  |  |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> |  |  |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |  |  |

|                                                                                                   |          | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|----------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | 2b(5)(A) |            |           |
| (B) Other .....                                                                                   | 2b(5)(B) |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines 2b(5)(A) and (B).....                   | 2b(5)(C) |            |           |
| (6) Net investment gain (loss) from common/collective trusts .....                                | 2b(6)    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | 2b(7)    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | 2b(8)    |            | 2737876   |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | 2b(9)    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | 2b(10)   |            |           |
| <b>c</b> Other income.....                                                                        | 2c       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | 2d       |            | 4929845   |

**Expenses**

|                                                                                            |       |        |         |
|--------------------------------------------------------------------------------------------|-------|--------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |       |        |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | 2e(1) | 757873 |         |
| (2) To insurance carriers for the provision of benefits .....                              | 2e(2) |        |         |
| (3) Other .....                                                                            | 2e(3) |        |         |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                               | 2e(4) |        | 757873  |
| <b>f</b> Corrective distributions (see instructions) .....                                 | 2f    |        |         |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | 2g    |        |         |
| <b>h</b> Interest expense.....                                                             | 2h    |        |         |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | 2i(1) | 260102 |         |
| (2) Contract administrator fees .....                                                      | 2i(2) |        |         |
| (3) Investment advisory and management fees .....                                          | 2i(3) |        |         |
| (4) Other .....                                                                            | 2i(4) |        |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                        | 2i(5) |        | 260102  |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |        | 1017975 |

**Net Income and Reconciliation**

|                                                                |       |  |         |
|----------------------------------------------------------------|-------|--|---------|
| <b>k</b> Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 3911870 |
| <b>l</b> Transfers of assets:                                  |       |  |         |
| (1) To this plan.....                                          | 2l(1) |  |         |
| (2) From this plan .....                                       | 2l(2) |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS, LLP

(2) EIN: 13-4008324

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |          |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |          |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 20000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   |     | X  |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     |    |          |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

| 5b(2) EIN(s) | 5b(3) PN(s) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |
|              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

|                                                                                                                        |                                                                    |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS</u> | <b>B</b> Three-digit plan number (PN) ▶<br><u>022</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>L-3 COMMUNICATIONS CORPORATION</u>                 | <b>D</b> Employer Identification Number (EIN)<br><u>13-3937436</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>13-7074646</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>0</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                         |                                                                                                                         |                                        |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                     | <input type="checkbox"/> Yes                                                                                            | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                    |                                                                                                                         |                                        |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____                        | If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                                        |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                             | <b>6a</b>                                                                                                               |                                        |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                              | <b>6b</b>                                                                                                               |                                        |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                         | <b>6c</b>                                                                                                               |                                        |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                           |                                                                                                                         |                                        |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                      | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_



## Report of Independent Auditors

To the Participants and Administrator of the  
Retirement Plan for Salaried Employees of L-3 Communications Combat Propulsion Systems:

In our opinion, the accompanying Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009 and the related Statements of Changes in Net Assets Available for Benefits for the years then ended and the Statement of Accumulated Plan Benefits as of January 1, 2010 and the related Statement of Changes in Accumulated Plan Benefits for the year then ended, present fairly, in all material respects, information regarding the net assets available for benefits of the Retirement Plan for Salaried Employees of L-3 Communications Combat Propulsion Systems (the "Plan") at December 31, 2010 and changes therein for the year then ended and its financial status as of January 1, 2010, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

New York, New York  
September 15, 2011

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                                         |                                                                 |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMBAT PROPULSION SYSTEMS                                                        | <b>B</b> Three-digit plan number (PN) ►                         | <u>022</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br>L-3 COMMUNICATIONS CORPORATION                                          | <b>D</b> Employer Identification Number (EIN)<br><br>13-3937436 |            |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B               |                                                                 |            |
| <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |                                                                 |            |

| Part I Basic Information |                                                                                                                                                                                                      |                            |                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------|
| <b>1</b>                 | Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>                                                                                                                               |                            |                    |
| <b>2</b>                 | Assets:                                                                                                                                                                                              |                            |                    |
|                          | <b>a</b> Market value.....                                                                                                                                                                           | <b>2a</b>                  | 19441321           |
|                          | <b>b</b> Actuarial value.....                                                                                                                                                                        | <b>2b</b>                  | 20356681           |
| <b>3</b>                 | Funding target/participant count breakdown                                                                                                                                                           | (1) Number of participants | (2) Funding Target |
|                          | <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                           | <b>3a</b>                  | 5502697            |
|                          | <b>b</b> For terminated vested participants.....                                                                                                                                                     | <b>3b</b>                  | 527104             |
|                          | <b>c</b> For active participants:                                                                                                                                                                    |                            |                    |
|                          | (1) Non-vested benefits.....                                                                                                                                                                         | <b>3c(1)</b>               | 1498291            |
|                          | (2) Vested benefits.....                                                                                                                                                                             | <b>3c(2)</b>               | 14190729           |
|                          | (3) Total active.....                                                                                                                                                                                | <b>3c(3)</b>               | 15689020           |
|                          | <b>d</b> Total.....                                                                                                                                                                                  | <b>3d</b>                  | 21718821           |
| <b>4</b>                 | If the plan is at-risk, check the box and complete items (a) and (b)..... <input type="checkbox"/>                                                                                                   |                            |                    |
|                          | <b>a</b> Funding target disregarding prescribed at-risk assumptions.....                                                                                                                             | <b>4a</b>                  |                    |
|                          | <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor..... | <b>4b</b>                  |                    |
| <b>5</b>                 | Effective interest rate.....                                                                                                                                                                         | <b>5</b>                   | 6.69%              |
| <b>6</b>                 | Target normal cost.....                                                                                                                                                                              | <b>6</b>                   | 1772106            |

**Statement by Enrolled Actuary**  
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                  |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                 |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SIGN HERE</b> | MICHAEL KARLIN <i>Michael Karlin</i><br><br>Signature of actuary<br><br>MICHAEL KARLIN, FSA, EA, MAAA<br><br>Type or print name of actuary<br><br>SIBSON CONSULTING<br><br>Firm name<br><br>333 W 34TH STREET<br><br>NEW YORK NY 10001-2402<br><br>Address of the firm | <div style="text-align: right;"> <u>9/12/2011</u><br/>         Date<br/>         11-02683<br/>         Most recent enrollment number<br/>         212-251-5000<br/>         Telephone number (including area code)       </div> |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**Part II Beginning of year carryover and prefunding balances**

|                                                                                                          | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... |                       |                        |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         |                       |                        |
| <b>9</b> Amount remaining (Item 7 minus item 8) .....                                                    | 0                     | 0                      |
| <b>10</b> Interest on item 9 using prior year's actual return of _____ % .....                           |                       |                        |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                       |                        |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                       |                        |
| <b>b</b> Interest on (a) using prior year's effective rate of _____ % .....                              |                       |                        |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                       | 0                      |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                          |                       |                        |
| <b>12</b> Reduction in balances due to elections or deemed elections .....                               |                       |                        |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d - item 12) .....             | 0                     | 0                      |

**Part III Funding percentages**

|                                                                                                                                                                            |           |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 93.72% |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | %      |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | %      |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %      |

**Part IV Contributions and liquidity shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
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|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b>                    |
|                          |                                   |                                 |                          |                                   | 0                               |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                         |            |  |
|-------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years .....                     | <b>19a</b> |  |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> |  |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> |  |

**20** Quarterly contributions and liquidity shortfalls:

**a** Did the plan have a "funding shortfall" for the prior year? ..... ☐ Yes ☐ No

**b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... ☐ Yes ☐ No

**c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---------|---------|---------|---------|
|         |         |         |         |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                   |                   |                   |                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-----------------------------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                          |                   |                   |                                                                       |
| <b>a</b> Segment rates:                                                                                                                                                           | 1st segment:<br>% | 2nd segment:<br>% | 3rd segment:<br>% <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                      |                   |                   | <b>21b</b>                                                            |
| <b>22</b> Weighted average retirement age .....                                                                                                                                   |                   |                   | <b>22</b>                                                             |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                   |                   |                                                                       |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment .....                                      | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment .....                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment .....                  | <b>27</b> 3                                              |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                      |             |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                             | <b>28</b>   |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) ..... | <b>29</b>   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                    | <b>30</b> 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions) .....                                                                                                       | <b>31</b>           |                    |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                |                     |                    |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                     |                    |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) .....                                                  | <b>34</b> 0         |                    |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          |                     |                    | 0             |
| <b>36</b> Additional cash requirement (item 34 minus item 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) .....                                                  | <b>37</b>           |                    |               |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions) .....                                                                                           | <b>38</b>           |                    |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) .....                                                                      | <b>39</b> 0         |                    |               |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b> 0         |                    |               |

**Attachment to 2010 Schedule SB of Form 5500**

**2010 Schedule SB, Line 27 – Actuarial Information Based on Pre-PPA Funding Rules  
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems  
EIN 13-3937436 PN 022**

As required, all pre-PPA actuarial information is supplied in the Schedule B, and requisite attachments. While the Schedule B is a 2007 form, all information is based on the 1/1/2010 Actuarial Valuation.

Refer to the attachments to the Schedule B form for plan provisions, assumptions (funding target liability is determined with the assumptions used for maximum tax-deductible contribution purposes), and data.

**SCHEDULE B  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security  
Administration

Pension Benefit Guaranty Corporation

**Actuarial Information**

This schedule is required to be filed under Section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, except when attached to Form 5500-EZ and, in all cases, under section 6059(a) of the Internal Revenue Code, referred to as the Code.

► **Attach to Form 5500 or 5500-EZ if applicable.**  
► **See separate instructions.**

Official Use Only

OMB No. 1210-0110

**2007**

**This Form is Open to Public  
Inspection (except when  
attached to Form 5500-EZ).**

For calendar plan year 2007 or fiscal plan year beginning 01/01/2010, and ending 12/31/2010

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                        |  |                                                       |
|------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------|
| <b>A</b> Name of plan<br>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMM                                            |  | <b>B</b> Three-digit plan number ... ► 022            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ.<br>L-3 COMMUNICATIONS CORPORATION            |  | <b>D</b> Employer Identification Number<br>13-3937436 |
| <b>E</b> Type of plan: (1) Multiemployer (2) <input checked="" type="checkbox"/> Single-employer (3) Multiple-employer |  | <b>F</b> 100 or fewer participants in prior plan year |

**Part I Basic Information** (To be completed by all plans)

|                                                                             |                      |
|-----------------------------------------------------------------------------|----------------------|
| <b>1a</b> Enter the actuarial valuation date: Month 01 Day 01 Year 2010     |                      |
| <b>b</b> Assets:                                                            |                      |
| (1) Current value of assets .....                                           | <b>b(1)</b> 19465537 |
| (2) Actuarial value of assets for funding standard account .....            | <b>b(2)</b> 22098359 |
| <b>c</b> (1) Accrued liability for plans using immediate gain methods ..... | <b>c(1)</b> 23822921 |
| (2) Information for plans using spread gain methods:                        |                      |
| (a) Unfunded liability for methods with bases .....                         | <b>c(2)(a)</b>       |
| (b) Accrued liability under entry age normal method .....                   | <b>c(2)(b)</b>       |
| (c) Normal cost under entry age normal method .....                         | <b>c(2)(c)</b>       |

**Statement by Enrolled Actuary (see instructions before signing):**

To the best of my knowledge, the information supplied in this schedule and on the accompanying schedules, statements, and attachments, if any, is complete and accurate, and in my opinion each assumption, used in combination, represents my best estimate of anticipated experience under the plan. Furthermore, in the case of a plan other than a multiemployer plan, each assumption used (a) is reasonable (taking into account the experience of the plan and reasonable expectations) or (b) would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable; in the case of a multiemployer plan, the assumptions used, in the aggregate, are reasonable (taking into account the experience of the plan and reasonable expectations).

**SIGN HERE** MICHAEL KARLIN *Michael Karlin*  
Signature of actuary

MICHAEL KARLIN, FSA, EA, MAAA  
Type or print name of actuary

SIBSON CONSULTING  
Firm name

333 W 34TH STREET  
NEW YORK NY 10001-2402  
Address of the firm

9/12/2011  
Date  
**G** 11-02683  
Most recent enrollment number  
212-251-5000  
Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, v10.1 Schedule B (Form 5500) 2007  
see the instructions for Form 5500 or 5500-EZ.

0 8 0 7 3 5 0 1 0 0



**1d** Information on current liabilities of the plan:

|                                                                                                            |                |          |
|------------------------------------------------------------------------------------------------------------|----------------|----------|
| (1) Amount excluded from current liability attributable to pre-participation service (see instructions) .. | <b>d(1)</b>    | 0        |
| (2) "RPA '94" information:                                                                                 |                |          |
| (a) Current liability .....                                                                                | <b>d(2)(a)</b> | 21537441 |
| (b) Expected increase in current liability due to benefits accruing during the plan year .....             | <b>d(2)(b)</b> | 1502508  |
| (c) Current liability computed at highest allowable interest rate (see instructions) .....                 | <b>d(2)(c)</b> | 21537441 |
| (d) Expected release from "RPA '94" current liability for the plan year .....                              | <b>d(2)(d)</b> |          |
| (3) Expected plan disbursements for the plan year .....                                                    | <b>d(3)</b>    | 758678   |

**2** Operational information as of beginning of this plan year:

|                                                                                                                                    |                    |                     |                    |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|--------------------|
| <b>a</b> Current value of the assets (see instructions) .....                                                                      |                    | <b>2a</b>           | 19394988           |
| <b>b</b> "RPA '94" current liability:                                                                                              |                    |                     |                    |
|                                                                                                                                    | (1) No. of Persons | (2) Vested Benefits | (3) Total Benefits |
| (1) For retired participants and beneficiaries receiving payments .....                                                            | 22                 | 5424029             | 5424029            |
| (2) For terminated vested participants .....                                                                                       | 11                 | 522259              | 522259             |
| (3) For active participants .....                                                                                                  | 164                | 13876529            | 15591153           |
| (4) Total .....                                                                                                                    | 197                | 19822817            | 21537441           |
| <b>c</b> If the percentage resulting from dividing line 2a by line 2b(4), column (3) is less than 70%, enter such percentage ..... |                    |                     |                    |
|                                                                                                                                    | <b>2c</b>          |                     | %                  |

**3** Contributions made to the plan for the plan year by employer(s) and employees:

| (a)<br>Month-Day-Year | (b)<br>Amount paid by<br>employer | (c)<br>Amount paid by<br>employees | (a)<br>Month-Day-Year | (b)<br>Amount paid by<br>employer | (c)<br>Amount paid by<br>employees |
|-----------------------|-----------------------------------|------------------------------------|-----------------------|-----------------------------------|------------------------------------|
| 04/15/2010            | 647000                            |                                    |                       |                                   |                                    |
| 07/15/2010            | 647000                            |                                    |                       |                                   |                                    |
| 10/15/2010            | 70000                             |                                    |                       |                                   |                                    |
| 01/15/2011            | 461000                            |                                    |                       |                                   |                                    |
| 09/09/2011            | 366969                            |                                    |                       |                                   |                                    |
|                       |                                   |                                    |                       |                                   |                                    |
|                       |                                   |                                    |                       |                                   |                                    |
|                       |                                   |                                    |                       |                                   |                                    |
| <b>3 Totals ▶ (b)</b> |                                   |                                    |                       | 2191969                           | (c)                                |
|                       |                                   |                                    |                       |                                   | 0                                  |

**4** Quarterly contributions and liquidity shortfall(s):

|                                                                                                                                      |           |       |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|-------|
| <b>a</b> Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions) ..... | <b>4a</b> | 99.5% |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|-------|

**b** If line 4a is less than 100%, see instructions, and complete the following table as applicable:

| Liquidity shortfall as of end of Quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
| 0                                                          | 0       | 0       | 0       |

0 8 0 7 3 5 0 2 0 P



**5** Actuarial cost method used as the basis for this plan year's funding standard account computation:**a** ☐ Attained age normal **b** ☒ Entry age normal **c** ☐ Accrued benefit (unit credit)**d** ☐ Aggregate **e** ☐ Frozen initial liability **f** ☐ Individual level premium**g** ☐ Individual aggregate**h** ☐ Other (specify) ▶**i** Has a change been made in funding method for this plan year? ☐ Yes ☒ No**j** If line i is "Yes," was the change made pursuant to Revenue Procedure 2000-40? ☐ Yes ☐ No**k** If line i is "Yes," and line j is "No" enter the date of the ruling letter (individual or class) approving the change in funding method

Month Day Year

**6** Checklist of certain actuarial assumptions:**a** Interest rates for "RPA '94" current liability **6a** 6.76% ☐ N/A**b** Weighted average retirement age **6b** 62 ☐ N/A**c** Rates specified in insurance or annuity contracts ☒ N/A

| Pre-retirement                      |                          | Post-retirement                     |                          |
|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Yes                                 | No                       | Yes                                 | No                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**d** Mortality table code for valuation purposes:(1) Males **d(1)** A A(2) Females **d(2)** A A**e** Valuation liability interest rate ☐ N/A **6e** 7.50% 7.50% ☐ N/A**f** Expense loading ☐ N/A **6f** 21.6% % ☒ N/A**g** Annual withdrawal rates:(1) Age 25 **g(1)** S 15.00% S 15.00%(2) Age 40 **g(2)** S 15.00% S 15.00%(3) Age 55 **g(3)** S 0.00% S 0.00%**h** Salary scale ☐ N/A **6h** 6.64% 6.64% ☐ N/A**i** Estimated investment return on actuarial value of assets for year ending on the valuation date **6i** 15.6%**j** Estimated investment return on current value of assets for year ending on the valuation date **6j** 22.1%**7** New amortization bases established in the current plan year:

| (1) Type of Base | (2) Initial Balance | (3) Amortization Charge/Credit |
|------------------|---------------------|--------------------------------|
| 1                | -1663113            | -382384                        |
|                  |                     |                                |
|                  |                     |                                |
|                  |                     |                                |
|                  |                     |                                |

**8** Miscellaneous information:**a** If a waiver of a funding deficiency or an extension of an amortization period has been approved for this plan year, enter the date of the ruling letter granting the approval

Month Day Year

0 8 0 7 3 5 0 3 0 0



**8b** If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions **▶** \_\_\_\_\_

**c** Is the plan required to provide a Schedule of Active Participant Data? (see instructions) If "Yes," attach schedule ☒ Yes ☐ No

**9** Funding standard account statement for this plan year:

**Charges to funding standard account:**

|                                                                                        |                              |             |         |
|----------------------------------------------------------------------------------------|------------------------------|-------------|---------|
| <b>a</b> Prior year funding deficiency, if any                                         |                              | <b>9a</b>   | 0       |
| <b>b</b> Employer's normal cost for plan year as of valuation date                     |                              | <b>9b</b>   | 1493436 |
| <b>c</b> Amortization charges as of valuation date:                                    | Outstanding Balance          |             |         |
| (1) All bases except funding waivers                                                   | ▶ (\$ 3474522)               | <b>c(1)</b> | 945329  |
| (2) Funding waivers                                                                    | ▶ (\$ 0)                     | <b>c(2)</b> | 0       |
| <b>d</b> Interest as applicable on lines 9a, 9b, and 9c                                |                              | <b>9d</b>   | 182907  |
| <b>e</b> Additional interest charge due to late quarterly contributions, if applicable |                              | <b>9e</b>   | 0       |
| <b>f</b> Adjusted additional funding charge from Part II, line 12q, if applicable      | <input type="checkbox"/> N/A | <b>9f</b>   | 0       |
| <b>g</b> Total charges. Add lines 9a through 9f                                        |                              | <b>9g</b>   | 2621672 |

**Credits to funding standard account:**

|                                                                                       |                     |             |         |
|---------------------------------------------------------------------------------------|---------------------|-------------|---------|
| <b>h</b> Prior year credit balance, if any                                            |                     | <b>9h</b>   | 5474    |
| <b>i</b> Employer contributions. Total from column (b) of line 3                      |                     | <b>9i</b>   | 2191969 |
| <b>j</b> Amortization credits as of valuation date                                    | ▶ (\$ 1744485)      | <b>9j</b>   | 394250  |
| <b>k</b> Interest as applicable to end of plan year on lines 9h, 9i, and 9j           |                     | <b>9k</b>   | 88120   |
| <b>l</b> Full funding limitation (FFL) and credits                                    |                     |             |         |
| (1) ERISA FFL (accrued liability FFL)                                                 | <b>l(1)</b> 6295517 |             |         |
| (2) "RPA '94" override (90% current liability FFL)                                    | <b>l(2)</b> 0       |             |         |
| (3) FFL credit                                                                        |                     | <b>l(3)</b> | 0       |
| <b>m</b> (1) Waived funding deficiency                                                |                     | <b>m(1)</b> | 0       |
| (2) Other credits                                                                     |                     | <b>m(2)</b> | 0       |
| <b>n</b> Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2)              |                     | <b>9n</b>   | 2679813 |
| <b>o</b> Credit balance: If line 9n is greater than line 9g, enter the difference     |                     | <b>9o</b>   | 58141   |
| <b>p</b> Funding deficiency: If line 9g is greater than line 9n, enter the difference |                     | <b>9p</b>   |         |

**Reconciliation account:**

|                                                                             |                |   |  |
|-----------------------------------------------------------------------------|----------------|---|--|
| <b>q</b> Current year's accumulated reconciliation account:                 |                |   |  |
| (1) Due to additional funding charges as of the beginning of the plan year  | <b>q(1)</b>    | 0 |  |
| (2) Due to additional interest charges as of the beginning of the plan year | <b>q(2)</b>    | 0 |  |
| (3) Due to waived funding deficiencies:                                     |                |   |  |
| (a) Reconciliation outstanding balance as of valuation date                 | <b>q(3)(a)</b> | 0 |  |
| (b) Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a)           | <b>q(3)(b)</b> | 0 |  |
| (4) Total as of valuation date                                              | <b>q(4)</b>    | 0 |  |

**10** Contribution necessary to avoid an accumulated funding deficiency. Enter the amount in line 9p or the amount required under the alternative funding standard account if applicable **10** 0

**11** Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions ☐ Yes ☒ No

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**Part II Additional Information for Certain Plans Other Than Multiemployer Plans**Please see **Who Must File** in the Schedule B instructions to determine if you must complete Part II.**12** Additional required funding charge (see instructions):**a** Enter "Gateway %." Divide line 1b(2) by line 1d(2)(c) and multiply by 100.

If line 12a is at least 90%, go to line 12q and enter -0-.

If line 12a is less than 80%, go to line 12b.

If line 12a is at least 80% (but less than 90%), see instructions and, if applicable, go to line 12q

and enter -0-. Otherwise, go to line 12b

**12a** 102.6%**b** "RPA '94" current liability. Enter line 1d(2)(a)**12b****c** Adjusted value of assets (see instructions)**12c****d** Funded current liability percentage. Divide line 12c by 12b and multiply by 100**12d** %**e** Unfunded current liability. Subtract line 12c from line 12b**12e****f** Liability attributable to any unpredictable contingent event benefit**12f****g** Outstanding balance of unfunded old liability**12g****h** Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative**12h****i** Unfunded new liability amount ( % of line 12h)**12i****j** Unfunded old liability amount**12j****k** Deficit reduction contribution. Add lines 12i, 12j and 1d(2)(b)**12k****l** Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero**12l****m** Unpredictable contingent event amount:**(1)** Benefits paid during year attributable to unpredictable contingent event**m(1)****(2)** Unfunded current liability percentage. Subtract the percentage on line 12d from 100%**m(2)**

%

**(3)** Enter the product of lines 12m(1) and 12m(2)**m(3)****(4)** Ammortization of all unpredictable contingent event liabilities**m(4)****(5)** "RPA '94" additional amount (see instructions)**m(5)****(6)** Enter the greatest of lines 12m(3), 12m(4), or 12m(5)**m(6)****n** Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest**12n****o** Contributions needed to increase current liability percentage to 100% (see instructions)**12o****p** Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o**12p****q** Adjusted additional funding charge. ( .0% of line 12p)**12q** 0

0 8 0 7 3 5 0 5 0 S



Attachment to 2010 Schedule B of Form 5500  
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods  
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems  
EIN 13-3937436 PN 022

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD

Net investment return: 7.5%

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Interest rate for determination of Current Liability and Maximum Contributions:

*Current Liability:* 6.76% (previously, 6.69%)  
Effective in 2008, as mandated by the Pension Protection Act of 2006 for eligible contractor plans, this is based on the third segment rate used to determine funding requirements for noncontractor plans.

*Maximum Deductible Contribution:* As mandated by the Pension Protection Act of 2006, the interest rates used are from the September 2009 segmented and averaged yield curve. The rates are 5.03% for payments in the first 5 years, 6.73% for payments in years 6-20, and 6.82% for payments thereafter. The effective interest rate is 6.69%. (Prior year's rates were from October 2008 full yield curve. The average rate were 7.35% for payments in the first 5 years, 8.61% for payments in years 6-20, and 7.26% for payments thereafter. The effective interest rate was 8.22%.)

**Mortality rates:**

*Healthy:*

RP 2000 Combined Healthy Table (sex distinct)

*Disabled:*

RP 2000 Disabled Retiree Table (sex distinct)

*Current Liability and Maximum:*

The RP2000 combined annuitant and non-annuitant tables with static projection. This assumption is one of the choices allowed by proposed regulations. (Prior year current liability assumption was similar, but based on one less year of projection.)

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

Salary scale:

| Age | Annual Increase |
|-----|-----------------|
| 20  | 10.0%           |
| 25  | 9.6             |
| 30  | 8.4             |
| 35  | 7.4             |
| 40  | 6.7             |
| 45  | 6.2             |
| 50  | 5.7             |
| 55  | 5.2             |
| 60  | 5.0             |
| 65  | 4.5             |

Termination Rates:

| First Five Years Employment* |                  | After Five Years Employment |                  |           |                  |
|------------------------------|------------------|-----------------------------|------------------|-----------|------------------|
| Year                         | Termination Rate | Age                         | Termination Rate | Age       | Termination Rate |
| 1                            | 15.0%            | 15                          | 8.0%             | 25        | 7.1%             |
| 2                            | 12.0             | 16                          | 8.0              | 26        | 6.8              |
| 3                            | 11.0             | 17                          | 8.0              | 27        | 6.5              |
| 4                            | 9.0              | 18                          | 8.0              | 28        | 6.2              |
| 5                            | 8.0              | 19                          | 8.0              | 29        | 5.9              |
|                              |                  | 20                          | 8.0              | 30        | 5.6              |
|                              |                  | 21                          | 8.0              | 31        | 5.3              |
|                              |                  | 22                          | 8.0              | 32        | 5.0              |
|                              |                  | 23                          | 7.7              | 33        | 4.7              |
|                              |                  | 24                          | 7.4              | 34        | 4.4              |
| *                            |                  |                             |                  |           |                  |
| Prior to age 55.             |                  |                             |                  |           |                  |
|                              |                  |                             |                  | 35        | 4.1%             |
|                              |                  |                             |                  | 36        | 3.8              |
|                              |                  |                             |                  | 37        | 3.5              |
|                              |                  |                             |                  | 38        | 3.3              |
|                              |                  |                             |                  | 39        | 3.1              |
|                              |                  |                             |                  | 40        | 2.9              |
|                              |                  |                             |                  | 41        | 2.7              |
|                              |                  |                             |                  | 42        | 2.5              |
|                              |                  |                             |                  | 43        | 2.3              |
|                              |                  |                             |                  | 44        | 2.1              |
|                              |                  |                             |                  | 45        | 1.9%             |
|                              |                  |                             |                  | 46        | 1.7              |
|                              |                  |                             |                  | 47        | 1.5              |
|                              |                  |                             |                  | 48        | 1.3              |
|                              |                  |                             |                  | 49        | 1.1              |
|                              |                  |                             |                  | 50        | 0.9              |
|                              |                  |                             |                  | 51        | 0.7              |
|                              |                  |                             |                  | 52        | 0.5              |
|                              |                  |                             |                  | 53        | 0.3              |
|                              |                  |                             |                  | 54        | 0.1              |
|                              |                  |                             |                  | 55 & over | 0.0              |

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

**Retirement Rates:**

All terminated vested members are assumed to retire at age 65 or immediately if over age 65. All other members who are eligible to retire are assumed to retire as follows:

For members hired before April 1, 1997

| Age | Retirement Rate | Age       | Retirement Rate |
|-----|-----------------|-----------|-----------------|
| 55  | 4%              | 63        | 15%             |
| 56  | 3               | 64        | 25              |
| 57  | 3               | 65        | 50              |
| 58  | 4               | 66        | 30              |
| 59  | 4               | 67        | 30              |
| 60  | 5               | 68        | 30              |
| 61  | 7               | 69        | 30              |
| 62  | 20              | 70 & over | 100             |

For members hired after March 31, 1997

| Age | Retirement Rate | Age       | Retirement Rate |
|-----|-----------------|-----------|-----------------|
| 55  | 9%              | 63        | 20%             |
| 56  | 6               | 64        | 25              |
| 57  | 7               | 65        | 50              |
| 58  | 7               | 66        | 30              |
| 59  | 7               | 67        | 30              |
| 60  | 8               | 68        | 30              |
| 61  | 11              | 69        | 30              |
| 62  | 25              | 70 & over | 100             |

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Retirement age for terminated vested:</b>  | 65                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Average retirement age for Schedule B:</b> | 62                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Probabilities Related To Spouse Option</b> | <p>It is assumed that 70% of male plan members and 55% of female plan members who die would leave a surviving spouse and that the male would be three years older than the female.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Social Security Benefits</b>               | <p>It is assumed that the Social Security taxable wage base will increase at the average rate of 4% per annum compound.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Expenses</b>                               | \$265,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Actuarial value of assets:</b>             | <p>Prior year's actuarial value of assets plus:</p> <ol style="list-style-type: none"> <li>1) Net new money (Contributions - benefit payments - administrative expenses paid from the trust).</li> <li>2) Expected investment return calculated from actuarial value</li> <li>3) 25% of each of the previous four years' gain (loss) due to investment return greater/(less) than expected.</li> </ol> <p>The actuarial value of assets is further limited to not less than 80% nor greater than 120% of market value.</p> <p>The initial actuarial value of assets is at market as of February 25, 2005. Therefore, gains and losses from years before 2005 are disregarded in the above formula.</p> <p>For the maximum deductible contribution, the rules under the Pension Protection Act apply, based on the plan sponsor's election of an allowable asset averaging method. The actuarial value of assets is an average of the market value of assets as of the valuation date and the adjusted market value of assets as of the preceding two years. The adjusted assets reflect expected earnings (subject to a statutory cap) and actual cash flow. The resulting value is limited to between 90% and 110% of the market value of assets.</p> |

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

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**Actuarial cost method:**

**Entry Age Normal Actuarial Cost Method**

This cost method develops the annual cost or expense of the Plan in two parts: that attributable to service accruing in the current year, known as the normal or service cost; and that due to service earned prior to the current year, known as the actuarial accrued or past service liability. Each of these components is calculated individually for each active employee.

The normal cost is the level annual contribution, as a percentage of pay, required to be made from the employee's date of hire until his termination or retirement so that sufficient assets will be accumulated to provide his benefit. The unfunded actuarial liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated. The unfunded actuarial liability is paid off in accordance with a specified amortization procedure.

Under the entry age normal cost method, if actual plan experience is close to the assumptions, the normal cost will increase each year for each employee as he or she approaches retirement age. The total contribution is made up of the sum of the individual normal costs and the amortization payment on the unfunded actuarial liability.

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 6 – Summary of Plan Provisions**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

**SUMMARY OF PLAN PROVISIONS**

This subsection summarizes the major provisions of the plan as included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

| <b>Effective Date</b>                                                                                                                                                           |                                                                                     | February 25, 2005                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Normal Retirement</b>                                                                                                                                                        |                                                                                     |                                                                                                                                                                       |
| <i>Age Requirement</i>                                                                                                                                                          | 65                                                                                  |                                                                                                                                                                       |
| <i>Service Requirement</i>                                                                                                                                                      | None                                                                                |                                                                                                                                                                       |
| <i>Amount</i>                                                                                                                                                                   | A monthly pension is the sum of (i) to (iv), but not less than the Minimum Benefit: |                                                                                                                                                                       |
|                                                                                                                                                                                 | (i)                                                                                 | <u>Service Prior to 1/1/1964:</u> \$18.00 per year of Credited Service.                                                                                               |
|                                                                                                                                                                                 | (ii)                                                                                | <u>Service 1/1/1964 to 12/31/1980:</u> 1-1/4% of final average pay per year of Credited Service.                                                                      |
|                                                                                                                                                                                 | (iii)                                                                               | <u>Service 1/1/1981 to 3/31/1997:</u> 1% of final average pay up to Covered Compensation, plus 1.65% of the excess per year of Credited Service.                      |
|                                                                                                                                                                                 | (iv)                                                                                | <u>Service After 3/31/1997:</u> 1-1/3% of final average pay per year of plan membership service. Plan membership service after March 31, 1997 is limited to 40 years. |
| Final average pay equals the average of the highest consecutive 60 monthly salary rate received during last 120 months of plan membership.                                      |                                                                                     |                                                                                                                                                                       |
| Covered Compensation equals the average of the Social Security taxable wage bases in effect for each calendar year during the 35 year period ending in the year of termination. |                                                                                     |                                                                                                                                                                       |

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 6 – Summary of Plan Provisions**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

**Section 415 Limit:** \$195,000

**Section 401(a)(17) Limit:** \$245,000

**Minimum Benefit**

- (i) Service Prior to 1/1/1964: \$18.00 per year of Credited Service.
- (ii) Service 1/1/1964 to 3/31/1997: \$20.00 per year of Credited Service.
- (iii) Service after 3/31/1997: \$26.00 per year of plan membership service including that additional period during which the member would have accrued benefits but for the age and/or service requirements for eligibility to enter the Plan.

**Participation**

Salaried employees of L-3 Combat Propulsions who have completed one year of service. Salaried employees covered by a collective bargaining agreement may only be covered if specifically provided in such agreement. A transferred employee who was an active participant in the prior plan (General Dynamics Corporation Salaried Retirement Plan) on February 24, 2005 should automatically become an active participant.

**Early Retirement**

*Age Requirement:*

55

*Service Requirement:*

5 years of continuous benefit service if service accrued prior to April 1, 1997

10 years of continuous benefit service if service accrued after March 31, 1997

*Amount:*

The benefit accrued to date of early retirement based on service accrued prior to April 1, 1997, reduced by 3% for each year between age 65 and the date of commencement of benefits.

The benefit accrued to date of early retirement based on service accrued after March 31, 1997, either (i) with no reduction, if benefits commence at or after age 62, or (ii) reduced by 2-1/2% for each year between age 62 and the date of commencement of benefits, if benefits commence prior to age 62.

Attachment to 2010 Schedule B of Form 5500  
Schedule B, Line 6 – Summary of Plan Provisions  
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems  
EIN 13-3937436 PN 022

**Form of Payment**

*Normal Form:*

Single Life Annuity

*Optional forms:*

- (a) 50% Contingent Annuitant Option
- (b) 75% Contingent Annuitant Option
- (c) 100% Contingent Annuitant Option
- (d) Level Income Option at Age 62
- (e) Ten Years Certain and Life Option
- (f) Lump Sum Option (maximum \$20,000)

The automatic payment option for Married Members or Married Vested Members is the 50% Contingent Annuitant Option with the spouse designated as Contingent Annuitant.

**Lump sum benefits**

Benefits with present value less than or equal to \$1,000 are automatically cashed out. If the present value of the benefit is over \$1,000 but less than or equal to \$5,000, a lump sum is offered to the participant. If the present value of the benefit is over \$5,000 but less than or equal to \$20,000, the participant can elect the lump sum, an immediate annuity, or a deferred annuity.

Attachment to 2010 Schedule B of Form 5500  
Schedule B, Line 6 – Summary of Plan Provisions  
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems  
EIN 13-3937436 PN 022

**Vesting**

*Age Requirement:*

None

*Service Requirement:*

5 years

*Amount:*

The benefit may commence prior to age 65 with a reduction of 3% for each year prior to age 65 applicable to the benefit based on service accrued prior to April 1, 1997 and on an actuarial equivalent basis applicable to the benefit based on service accrued after March 31, 1997.

**Pre-retirement  
Death Benefit**

If a member dies while eligible for early retirement or while eligible for a vested benefits and leaves a surviving spouse to whom he/she has been married for at least one year, the surviving spouse will be entitled to the benefit that would have been payable had the member terminated employment on the date of death with payment of benefits to commence on the earliest date permitted thereafter and elected the 50% contingent annuitant option.

**Post-retirement  
Death Benefit**

Depends on the form of pension elected; in any event, the excess, if any, of the death benefit payable just prior to retirement over actual pension payments is paid to the beneficiary.

**Pension Enhancement**

Members employed prior to January 1, 1999 and retiring from active service will be entitled to a pension enhancement benefit of \$94 per month, prorated for less than ten years of continuous service measured from April 1, 1997 to retirement, commencing at age 65. An additional benefit, in the same amount, will be payable when an eligible spouse attains age 65.

If a member was employed prior to January 1, 1999 and terminates with a deferred vested benefit, the pension enhancement benefit will be multiplied by the ratio of the member's years of service measured from April 1, 1997 to termination to the years of service measured from April 1, 1997 he would have had at age 65.

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 6 – Summary of Plan Provisions**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

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**Date of Most Recent  
Plan Amendments:**

Effective as of January 1, 2007, employees hired on or after January 1, 2007 are not eligible to participate in the plan.

Effective January 1, 2007, the Plan has been amended in its entirety as described in Amendment No. 1.

Effective January 1, 2007, the Plan has been amended to eliminate the following optional forms of benefit:

- Five Year Certain and Continuous Annuity
- 66-2/3% Joint and Survivor Annuity
- 50% Joint and Last Survivor Annuity
- All Joint and Survivor Annuities with pop-up
- The Social Security Level Income Annuity at age 65

Effective in 2008, the Plan has been amended to comply with tax law changes and to make certain other changes as described in Amendment No. 2.

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, line 6b – Description of Weighted Average Retirement Age**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

**For new members before April 1, 1997**                      **For new members after March 31, 1997**

| Age                | Rate    | Probability<br>of Retiring | Age x<br>Probability | Rate    | Probability<br>of Retiring | Age x<br>Probability |
|--------------------|---------|----------------------------|----------------------|---------|----------------------------|----------------------|
| 55                 | 4.00%   | 4.00%                      | 2.20                 | 9.00%   | 9.00%                      | 4.95                 |
| 56                 | 3.00%   | 2.88%                      | 1.61                 | 6.00%   | 5.46%                      | 3.06                 |
| 57                 | 3.00%   | 2.79%                      | 1.59                 | 7.00%   | 5.99%                      | 3.41                 |
| 58                 | 4.00%   | 3.61%                      | 2.10                 | 7.00%   | 5.57%                      | 3.23                 |
| 59                 | 4.00%   | 3.47%                      | 2.05                 | 7.00%   | 5.18%                      | 3.06                 |
| 60                 | 5.00%   | 4.16%                      | 2.50                 | 8.00%   | 5.50%                      | 3.30                 |
| 61                 | 7.00%   | 5.54%                      | 3.38                 | 11.00%  | 6.96%                      | 4.25                 |
| 62                 | 20.00%  | 14.71%                     | 9.12                 | 25.00%  | 14.08%                     | 8.73                 |
| 63                 | 15.00%  | 8.83%                      | 5.56                 | 20.00%  | 8.45%                      | 5.32                 |
| 64                 | 25.00%  | 12.50%                     | 8.00                 | 25.00%  | 8.45%                      | 5.41                 |
| 65                 | 50.00%  | 18.75%                     | 12.19                | 50.00%  | 12.68%                     | 8.24                 |
| 66                 | 30.00%  | 5.63%                      | 3.71                 | 30.00%  | 3.80%                      | 2.51                 |
| 67                 | 30.00%  | 3.94%                      | 2.64                 | 30.00%  | 2.66%                      | 1.78                 |
| 68                 | 30.00%  | 2.76%                      | 1.87                 | 30.00%  | 1.86%                      | 1.27                 |
| 69                 | 30.00%  | 1.93%                      | 1.33                 | 30.00%  | 1.30%                      | 0.90                 |
| 70                 | 100.00% | 4.50%                      | 3.15                 | 100.00% | 3.04%                      | 2.13                 |
| Weighted Average = |         |                            | 63.00                |         |                            |                      |

**Headcount**

|                       |     |
|-----------------------|-----|
| Hired before 4/1/1997 | 64  |
| Hired after 3/31/1997 | 100 |
|                       | 164 |

**Weighted Average**

$$(63*64+61.55*100)/164 \quad 62.12$$

**Attachment to 2010 Schedule B of Form 5500**  
**Schedule B, Line 8c - Schedule of Active Participant Data**  
**Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems**  
**EIN 13-3937436 PN 022**

| Age      | Under 1 | Years of Service |        |        |          |          |          |          |          |          |         | 40 & up |
|----------|---------|------------------|--------|--------|----------|----------|----------|----------|----------|----------|---------|---------|
|          |         | Under 25         | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |         |
| Under 25 | --      | --               | --     | --     | --       | --       | --       | --       | --       | --       | --      | --      |
| 25 to 29 | --      | 4                | --     | --     | --       | --       | --       | --       | --       | --       | --      | --      |
| 30 to 34 | --      | 11               | 2      | --     | --       | --       | --       | --       | --       | --       | --      | --      |
| 35 to 39 | 1       | 9                | 1      | --     | --       | --       | --       | --       | --       | --       | --      | --      |
| 40 to 44 | 2       | 10               | 7      | 2      | 2        | 1        | --       | --       | --       | --       | --      | --      |
| 45 to 49 | 1       | 12               | 3      | 3      | 3        | 1        | 1        | --       | --       | --       | --      | --      |
| 50 to 54 | --      | 9                | 9      | 9      | 6        | 1        | 5        | 3        | 1        | --       | --      | --      |
| 55 to 59 | --      | 5                | 2      | 2      | 3        | 2        | 4        | 7        | 2        | --       | --      | --      |
| 60 to 64 | --      | 6                | 7      | 7      | 2        | 2        | 1        | 3        | 5        | 1        | --      | --      |
| 65 to 69 | --      | 1                | --     | --     | 2        | 1        | --       | --       | --       | 1        | 2       | --      |
| 70 & up  | --      | --               | --     | --     | --       | --       | --       | --       | --       | --       | --      | --      |
| Total    | 4       | 67               | 31     | 18     | 8        | 11       | 13       | 8        | 2        | 2        | 2       | 2       |

Attachment to 2010 Schedule B of Form 5500  
Schedule B, Line 9c - Schedule of Funding Standard Account Charge Bases  
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems  
EIN 13-3937436 PN 022

FUNDING STANDARD ACCOUNT AMORTIZATION CHARGE BASES

| Type of Base                                                  | Date<br>Established | Original Base | Outstanding<br>Balance | Years Remaining | Amortization<br>Amount |
|---------------------------------------------------------------|---------------------|---------------|------------------------|-----------------|------------------------|
| Actuarial experience loss                                     | 01/01/2009          | \$4,077,206   | \$3,375,255            | 4               | \$937,434              |
| Plan amendment (compensation limit<br>\$230,000 to \$245,000) | 01/01/2009          | 100,236       | <u>99,267</u>          | 29              | <u>7,895</u>           |
| Total:                                                        |                     |               | \$3,474,522            |                 | \$945,329              |

Attachment to 2010 Schedule B of Form 5500  
Schedule B, Line 9j - Schedule of Funding Standard Account Credit Bases  
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems  
EIN 13-3937436 PN 022

FUNDING STANDARD ACCOUNT AMORTIZATION CREDIT BASES

| Type of Base              | Date<br>Established | Original Base | Outstanding<br>Balance | Years Remaining | Amortization<br>Amount |
|---------------------------|---------------------|---------------|------------------------|-----------------|------------------------|
| Change in assumptions     | 01/01/2009          | \$87,561      | \$81,372               | 9               | \$11,866               |
| Actuarial experience gain | 01/01/2010          | 1,663,112     | <u>1,663,113</u>       | 5               | <u>382,384</u>         |
| Total:                    |                     |               | \$1,744,485            |                 | \$394,250              |

RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS

Financial Statements as of  
and for the Years Ended  
December 31, 2010 and 2009

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
INDEX TO FINANCIAL STATEMENTS**

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| Statements of Net Assets Available for Benefits<br>as of December 31, 2010 and 2009                                                 | 3              |
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Note: Supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted as the conditions under which they are required are not present.



## Report of Independent Auditors

To the Participants and Administrator of the  
Retirement Plan for Salaried Employees of L-3 Communications Combat Propulsion Systems:

In our opinion, the accompanying Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009 and the related Statements of Changes in Net Assets Available for Benefits for the years then ended and the Statement of Accumulated Plan Benefits as of January 1, 2010 and the related Statement of Changes in Accumulated Plan Benefits for the year then ended, present fairly, in all material respects, information regarding the net assets available for benefits of the Retirement Plan for Salaried Employees of L-3 Communications Combat Propulsion Systems (the "Plan") at December 31, 2010 and changes therein for the year then ended and its financial status as of January 1, 2010, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

New York, New York  
September 15, 2011

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2010 AND 2009  
(Dollars in thousands)**

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|                                                 | <u>2010</u>      | <u>2009</u>      |
|-------------------------------------------------|------------------|------------------|
| Assets:                                         |                  |                  |
| Investment in Master Trust, at fair value ..... | \$ 22,544        | \$ 19,006        |
| Employer contribution receivable.....           | <u>828</u>       | <u>460</u>       |
| Total Assets.....                               | <u>23,372</u>    | <u>19,466</u>    |
| Liabilities:                                    |                  |                  |
| Accrued expenses.....                           | <u>65</u>        | <u>71</u>        |
| Net assets available for benefits .....         | <u>\$ 23,307</u> | <u>\$ 19,395</u> |

The accompanying notes are an integral part of these financial statements.

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Dollars in thousands)**

|                                                               | <u>2010</u>      | <u>2009</u>      |
|---------------------------------------------------------------|------------------|------------------|
| Additions:                                                    |                  |                  |
| Net investment gain from Master Trust .....                   | \$ 2,738         | \$ 3,569         |
| Employer contributions .....                                  | <u>2,192</u>     | <u>806</u>       |
| Total additions .....                                         | <u>4,930</u>     | <u>4,375</u>     |
| Deductions:                                                   |                  |                  |
| Benefit payments .....                                        | 758              | 535              |
| Plan expenses .....                                           | <u>260</u>       | <u>280</u>       |
| Total deductions .....                                        | <u>1,018</u>     | <u>815</u>       |
| Net increase .....                                            | 3,912            | 3,560            |
| Net assets available for benefits,<br>beginning of year ..... | <u>19,395</u>    | <u>15,835</u>    |
| Net assets available for benefits,<br>end of year .....       | <u>\$ 23,307</u> | <u>\$ 19,395</u> |

The accompanying notes are an integral part of these financial statements.

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
STATEMENTS OF ACCUMULATED PLAN BENEFITS AND  
CHANGES IN ACCUMULATED PLAN BENEFITS  
AS OF AND FOR THE YEAR ENDED JANUARY 1, 2010  
(Dollars in thousands)**

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| <b>Statement of Accumulated Plan Benefits:</b>                  | <b>January 1,<br/>2010</b>                |
|-----------------------------------------------------------------|-------------------------------------------|
| Actuarial present value of accumulated plan benefits            |                                           |
| Vested benefits:                                                |                                           |
| Participants currently receiving benefits.....                  | \$ 4,990                                  |
| Other participants.....                                         | 12,736                                    |
| Total vested benefits .....                                     | 17,726                                    |
| Non-vested benefits .....                                       | 1,308                                     |
| Total actuarial present value of accumulated plan benefits..... | <u>\$19,034</u>                           |
|                                                                 |                                           |
| <b>Statement of Changes in Accumulated Plan Benefits:</b>       | <b>Year Ended<br/>January 1,<br/>2010</b> |
| Actuarial present value of accumulated                          |                                           |
| plan benefits as of January 1, 2009 .....                       | \$16,802                                  |
| Increase (decrease) during the year attributable to:            |                                           |
| Benefits accumulated and actuarial experience .....             | 1,507                                     |
| Increase for interest due to decrease in discount period.....   | 1,260                                     |
| Benefits paid.....                                              | (535)                                     |
| Net increase .....                                              | 2,232                                     |
| Actuarial present value of accumulated                          |                                           |
| plan benefits as of January 1, 2010 .....                       | <u>\$19,034</u>                           |

The accompanying notes are an integral part of these financial statements.

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
NOTES TO FINANCIAL STATEMENTS  
(Dollars in thousands)**

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***1. Plan Description***

The following brief description of the Retirement Plan for Salaried Employees of L-3 Communications Combat Propulsion Systems (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan was established effective February 25, 2005 in connection with the acquisition of the Propulsion Systems business unit of General Dynamics by L-3 Communications Corporation (the "Company"), a wholly owned subsidiary of L-3 Communications Holdings, Inc. On that date, certain salaried participants in the General Dynamics Corporation Retirement Plan (Government) (the "Prior Plan") became participants in the Plan. The provisions of the Plan apply only to employees who terminate active employment on or after February 25, 2005.

The Plan is a non-contributory defined benefit plan. Participation in the Plan commenced on the first day of the following month after completion of one year of continuous service. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The Plan is frozen with respect to new participants hired on or after January 1, 2007. As such, any employees hired on or after January 1, 2007 are not eligible to participate in the Plan.

***2. Summary of Significant Accounting Policies***

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting.

Investment in Master Trust

Investment assets of the Plan are maintained in the L-3 Communications Corporation Master Trust (the "Master Trust") administered by The Bank of New York Mellon, as Trustee. The Plan participates in the Master Trust along with other defined benefit plans sponsored by the Company (collectively, the "L-3 Participating Plans"). The only investment of the Plan is its interest in the net assets of the Master Trust. The fair value of the Plan's interest in the Master Trust is determined based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income (loss) less actual distributions and actual administrative expenses. Assets held in the Master Trust primarily consist of corporate equity securities, commingled trust funds and mutual funds, corporate bonds and Government and mortgage-backed securities. See Note 6 for a description of the valuation methodologies of the assets of the Master Trust.

The Master Trust records investment transactions on the trade-date, dividend income on the ex-dividend date, interest income as earned and determines realized gains and losses on sales of securities based on the average cost method.

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
NOTES TO FINANCIAL STATEMENTS - continued  
(Dollars in thousands)**

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Net Investment Gain (Loss) from Master Trust

The net investment gain (loss) from the Master Trust includes interest and dividend income and net appreciation or depreciation in the fair value of investments, which includes gains or losses realized upon disposition of investments and net unrealized appreciation or depreciation of investments. The net investment gain or loss is allocated to the L-3 Participating Plans based upon the relationship of each plan's respective monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

Benefit Payments

Benefit payments are recorded when paid.

Plan Expenses

The administrative expenses of the Plan are paid for by the Plan. Administrative expenses are allocated to the Plan at the direction of the Company based upon the Plan's respective portion of the expense. Investment management fees of the Master Trust are allocated to the L-3 Participating Plans based upon the relationship of each Plan's respective monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations, and changes therein, disclosures of contingent assets, liabilities and benefit obligations, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results will differ from those estimates.

Risks and Uncertainties

Plan contributions and the actuarial present value of accumulated plan benefits are determined based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in the estimates and assumptions in the near term would be material to the financial statements.

The investments held in the Master Trust are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
NOTES TO FINANCIAL STATEMENTS - continued  
(Dollars in thousands)**

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changes in risks in the near term would materially affect the investments and related allocation reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

**Subsequent Events**

The Plan continued to evaluate events after the Statement of Net Assets Available for Benefits date through September 15, 2011, the date the financial statements were available to be issued.

***3. Contributions***

Generally, the Company's funding policy is to contribute amounts in accordance with the Internal Revenue Code ("IRC") and the minimum funding requirements under ERISA. Contributions from the Company required in 2010 and 2009 under the minimum funding requirements of ERISA were \$2,192 and \$806, respectively. Contributions are calculated using the Entry Age Normal Actuarial Cost Method. Under this method, the total actuarial liability for participants is the actuarial present value as of the valuation date of all benefits attributed by the pension benefit formula to employee service rendered prior to that date, which assumes the normal cost will increase each year for each employee as he or she approaches retirement age. The yield (interest, dividends, and net realized and unrealized gains and losses) on investments of the Plan serves to adjust future contributions that will be required to provide for the defined level of benefits.

***4. Plan Benefits***

Participants are entitled to receive monthly pension benefits beginning at the normal retirement age of 65. The monthly normal retirement benefit is equal to the greater of an amount equal to 1 $\frac{1}{3}$ % of final average monthly salary multiplied by that period, in years and completed months, of includible Plan membership or an amount equal to \$.026 multiplied by that period, in years and completed months, of Plan membership. An employee accrues one month of Plan membership for each calendar month in which he or she is an active member and receives base compensation as a salaried employee. Final Average Monthly salary is the average of the salary rates in effect on the first day of each of the 60 consecutive months of Plan membership for which an active member's salary rate was the highest out of the 120 months of Plan membership immediately preceding the date of retirement.

The Plan permits participants to retire at an early retirement date, which is the first day of any month specified by the participant following the attainment of age 55 and completion of 10 or more years of continuous service, and before reaching the age of 65 provided retirement has occurred. A participant who elects to retire on an early retirement date is entitled to a retirement benefit commencing on his or her normal retirement date in an amount equal to the accrued regular benefit determined at the early retirement date. If the participant attains the age of 62 at the date of commencement of benefits, the accrued benefit will be payable without reduction. If benefits commence prior to age 62, the accrued benefit determined at the early

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
NOTES TO FINANCIAL STATEMENTS - continued  
(Dollars in thousands)**

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retirement date will be reduced by 2½% of the normal retirement benefit for each year, with months counting as twelfths, between the first day of the month following the date of commencement of benefits and attainment of age 62.

The following presents the more significant assumptions underlying the actuarial computations as of January 1, 2010 and 2009.

|                                                                                          |                                                                               |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Mortality basis                                                                          | RP-2000 Combined Healthy Table<br>RP2000 Disabled Retiree Table               |
| Retirement                                                                               | Retirement at ages 55 through 70,<br>at varying rates, with 100% by age<br>70 |
| Discount rate for the determination of the<br>present value of accumulated plan benefits | 2010 and 2009 – 7.5%                                                          |

The foregoing actuarial assumptions are based upon the assumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors may be used in determining the actuarial present value of accumulated plan benefits.

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF  
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS  
NOTES TO FINANCIAL STATEMENTS - continued  
(Dollars in thousands)**

**5. Master Trust Investments**

The fair value of the assets and liabilities of the Master Trust at December 31, 2010 and 2009 is presented in the table below. The Plan's percentage interest in the Master Trust was 1.7% at December 31, 2010 and December 31, 2009.

|                                                 | <u>2010</u>         | <u>2009</u>         |
|-------------------------------------------------|---------------------|---------------------|
| Corporate equity securities .....               | \$ 778,788          | \$ 607,388          |
| Commingled trust funds and mutual funds .....   | 486,329             | 416,646             |
| Corporate bonds .....                           | 78,815              | 66,470              |
| Government and mortgage-backed securities ..... | —                   | 366                 |
| Forward contracts .....                         | 35                  | 292                 |
| Accrued income .....                            | 3,175               | 2,195               |
| Receivable for unsettled trades .....           | 808                 | 1,301               |
| Payable for unsettled trades .....              | (2,225)             | (1,667)             |
|                                                 | <u>\$ 1,345,725</u> | <u>\$ 1,092,991</u> |

The following presents the investment gain of the Master Trust for the years ended December 31, 2010 and 2009.

|                                       | <u>2010</u>       | <u>2009</u>       |
|---------------------------------------|-------------------|-------------------|
| Net appreciation of investments ..... | \$ 130,842        | \$ 180,985        |
| Interest .....                        | 6,191             | 6,010             |
| Dividends .....                       | 21,668            | 19,690            |
| Other .....                           | 123               | 188               |
|                                       | <u>\$ 158,824</u> | <u>\$ 206,873</u> |

The following presents the net appreciation (depreciation) in fair value of the Master Trust's investments, including realized gains and losses, and the unrealized appreciation and depreciation of investments for the years ended December 31, 2010 and 2009.

|                                               | <u>2010</u>       | <u>2009</u>       |
|-----------------------------------------------|-------------------|-------------------|
| Corporate equity securities .....             | \$ 104,585        | \$ 121,766        |
| Commingled trust funds and mutual funds ..... | 20,585            | 39,365            |
| Corporate bonds .....                         | 5,045             | 20,449            |
| Forward contracts .....                       | 627               | (595)             |
|                                               | <u>\$ 130,842</u> | <u>\$ 180,985</u> |

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**6. Fair Value Measurements**

The Plan adopted the standards for fair value measurements. The provisions of the standards are applicable to all of the Plan's assets and liabilities that are measured and recorded at fair value. The standards establish a framework for measuring fair value and expand related disclosures. The standards define fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants. It establishes a fair value hierarchy that gives the highest priority to observable inputs and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below.

**Level 1:** Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. The Plan's Level 1 assets include equity securities, certain mutual funds and U.S. Treasury bonds, all of which fair value is derived from quoted market prices.

**Level 2:** Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. The fair value is determined using a valuation model based on observable market inputs. The Plan's Level 2 assets include commingled trust funds, certain mutual funds, corporate bonds, government securities and forward contracts.

**Level 3:** Pricing inputs that are generally unobservable inputs and not corroborated by market data. The Plan has no Level 3 assets.

The table below reports by level, within the fair value hierarchy, the assets held in the Master Trust at fair value as of December 31, 2010 and 2009, including a description of the valuation methodologies. As required by the standards, each asset is classified based on the lowest level of input that is significant to the fair value measurement.

| <u>Asset Category</u>              | <u>Fair Value Measured at<br/>December 31, 2010</u> |                        |                |                    | <u>Fair Value Measured at<br/>December 31, 2009</u> |                        |                |                     |
|------------------------------------|-----------------------------------------------------|------------------------|----------------|--------------------|-----------------------------------------------------|------------------------|----------------|---------------------|
|                                    | <u>Level 1</u>                                      | <u>Level 2</u>         | <u>Level 3</u> | <u>Total</u>       | <u>Level 1</u>                                      | <u>Level 2</u>         | <u>Level 3</u> | <u>Total</u>        |
| Equity securities <sup>(1)</sup> : |                                                     |                        |                |                    |                                                     |                        |                |                     |
| U.S. Equity .....                  | 608,771                                             | —                      | —              | 608,771            | 468,831                                             | —                      | —              | 468,831             |
| International Equity .....         | 98,282                                              | 114,632                | —              | 212,914            | 86,365                                              | 103,788                | —              | 190,153             |
| Fixed Income —                     |                                                     |                        |                |                    |                                                     |                        |                |                     |
| Investment Grade.....              | 155,351 <sup>(2)</sup>                              | 155,040 <sup>(3)</sup> | —              | 310,391            | 126,094 <sup>(2)</sup>                              | 110,086 <sup>(3)</sup> | —              | 236,180             |
| Fixed Income —                     |                                                     |                        |                |                    |                                                     |                        |                |                     |
| High Yield <sup>(4)</sup> .....    | —                                                   | 82,477                 | —              | 82,477             | —                                                   | 68,905                 | —              | 68,905              |
| Real Estate Investment             |                                                     |                        |                |                    |                                                     |                        |                |                     |
| Trusts <sup>(5)</sup> .....        | 70,044                                              | —                      | —              | 70,044             | 55,181                                              | —                      | —              | 55,181              |
| Other <sup>(6)</sup> .....         | —                                                   | 61,128                 | —              | 61,128             | —                                                   | 73,741                 | —              | 73,741              |
| Total.....                         | <u>\$ 932,448</u>                                   | <u>\$ 413,277</u>      | <u>\$ —</u>    | <u>\$1,345,725</u> | <u>\$ 736,471</u>                                   | <u>\$356,520</u>       | <u>\$ —</u>    | <u>\$ 1,092,991</u> |

<sup>(1)</sup> Equity securities consist of investments in common stock of U.S. and foreign companies. The fair value of equity securities is based on quoted market prices available in active markets at the close of a trading day, primarily the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ), and various foreign exchanges. The Level 2 investment balance is derived from a pooled equity fund offered by a registered investment company, which fair value is based on net asset value (NAV). NAV is calculated by the fund manager based on the fair value of the fund's holdings, primarily equity securities traded in active markets, determined as of the end of each month. Withdrawals are

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permitted monthly based on NAV.

- (2) Approximately 50% in 2010 and 53% in 2009 of plan assets invested in fixed income — investment grade securities consist of a mutual fund offered by a registered investment company. The mutual fund invests in investment grade fixed income securities, mortgaged-backed securities, U.S. treasury and agency bonds and corporate bonds. This fund is classified by the Company as a Level 1 measurement within the fair value hierarchy as the mutual fund trades on an active market and daily, quoted prices are available.
- (3) The remaining 50% in 2010 and 47% in 2009 of plan assets invested in fixed income — investment grade securities is derived from pooled bond funds offered by registered investment companies. As these funds do not trade in an active market, the fair value is based on NAVs calculated by fund managers based on yields currently available on comparable bonds of issuers with similar credit ratings, quoted prices of similar bonds in an active market, or cash flows based on observable inputs.
- (4) Fixed income — high yield consists of investments in corporate high-yield bonds from various industries. The fair values of these investments are based on yields currently available on comparable bonds of issuers with similar credit ratings, quoted prices of similar bonds in an active market, or cash flows based on observable inputs.
- (5) Real Estate Investment Trusts (REITs) consist of securities that trade on the major exchanges and invest in real estate directly, either through properties or mortgages.
- (6) Other consists of short term investments maintained in a commingled trust or pooled fund, which primarily invests in short term, high quality money market securities such as government obligations, commercial paper, time deposits and certificates of deposit, which are classified as Level 2.

#### ***7. Accounting Standards Issued and Not Yet Implemented***

In May 2011, the FASB issued a revised accounting standard for fair value measurement and disclosure. The revisions clarify how to measure fair value and require additional disclosures as follows: 1) transfers between Level 1 and Level 2 of the fair value hierarchy, 2) the valuation process used and the sensitivity of a fair value measurement categorized within Level 3 of the fair value hierarchy to changes in unobservable inputs, and 3) the categorization by level of the fair value hierarchy for items that are not measured at fair value in the Statement of Net Assets Available for Benefits, but for which the fair value of such items is required to be disclosed. The revised accounting standard is effective for the Company beginning after December 15, 2011, and is not expected to have an impact on the Plan's Net Assets Available for Benefits.

#### ***8. Tax Status***

The Internal Revenue Service has determined and informed the Company by a letter dated July 28, 2008, that the Plan is designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable regulations of the IRC; therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions by the Plan, and has concluded that as of December 31, 2010, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is

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no longer subject to income tax examinations for years prior to the year ended December 31, 2006.

**9. *Related Party Transactions***

Certain plan investments held in the Master Trust are units of a commingled trust fund managed by The Bank of New York Mellon, the Plan's trustee.

**10. *Termination Priorities***

While the Company has not expressed any intention to do so, it is free to discontinue its contributions at any time and to terminate the Plan, subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets will be allocated as specified by the Plan in accordance with ERISA, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.
- b. Benefits attributable to participants who have retired at least three years before the termination date of the Plan or those participants who were eligible to retire and receive pension benefits at least three years before, but who did not elect to retire at that time.
- c. Benefits commencing at retirement age to participants who are eligible to receive guaranteed benefits under ERISA.
- c. All vested and non-vested benefits.

To the extent the Plan's net assets are not sufficient to fund the accumulated benefits upon Plan termination, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation, up to specified limits.