

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>L-3 SPACE & NAVIGATION PENSION PLAN FOR HOURLY EMPLOYEES</u>	1b Three-digit plan number (PN) ▶	<u>013</u>	
	1c Effective date of plan	<u>01/01/2000</u>	
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>L-3 COMMUNICATIONS CORPORATION</u> <u>600 THIRD AVENUE</u> <u>NEW YORK, NY 10016-1901</u>	2b Employer Identification Number (EIN) <u>13-3937436</u>	2c Sponsor's telephone number <u>212-697-1111</u>	2d Business code (see instructions) <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.

SIGN HERE	Filed with authorized/valid electronic signature.	09/08/2013	PAT HEMPHILL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN
		3c Administrator's telephone number
4 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: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 75
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	21
b Retired or separated participants receiving benefits.....	6b	25
c Other retired or separated participants entitled to future benefits.....	6c	25
d Subtotal. Add lines 6a , 6b , and 6c	6d	71
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	74
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 1G 3F 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☐ H (Financial Information) (2) ☒ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information 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). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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.

A Name of plan <u>L-3 SPACE & NAVIGATION PENSION PLAN FOR HOURLY EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>013</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>L-3 COMMUNICATIONS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3937436</u>
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 <u>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>5686078</u>
b Actuarial value	2b <u>5701566</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>21</u> <u>2146926</u>
b For terminated vested participants.....	3b <u>23</u> <u>735217</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>928840</u>
(2) Vested benefits.....	3c(2) <u>1828759</u>
(3) Total active	3c(3) <u>31</u> <u>2757599</u>
d Total	3d <u>75</u> <u>5639742</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>7.02 %</u>
6 Target normal cost.....	6 <u>219092</u>

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.

SIGN HERE		<u>07/11/2013</u>
Signature of actuary		Date
<u>AIDA DOMLIJA, FSA, MAAA</u>		<u>11-06955</u>
Type or print name of actuary		Most recent enrollment number
<u>SIBSON CONSULTING</u>		<u>212-251-5000</u>
Firm name		Telephone number (including area code)
<u>333 W 34TH STREET</u> <u>NEW YORK, NY 10001-2402</u>		
Address of the firm		

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, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	249875	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	249875	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 3.17%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		464991
b	Interest on (a) using prior year's effective interest rate of 6.28% except as otherwise provided (see instructions)		21430
c	Total available at beginning of current plan year to add to prefunding balance		486421
d	Portion of (c) to be added to prefunding balance		486421
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	486421

Part III Funding Percentages			
14	Funding target attainment percentage	14	92.47 %
15	Adjusted funding target attainment percentage	15	101.09 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	84.41 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/01/2013	148000				
			Totals ►	18(b)	148000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	133457
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If line 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
0	0	0
		(4) 4th
		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	219092	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	424597	93319	
b Waiver amortization installment	0	0	
33 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	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	312411	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	312411	312411
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	133457	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	133457	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	133457	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>L-3 SPACE & NAVIGATION PENSION PLAN FOR HOURLY EMPLOYEES</u>	B Three-digit plan number (PN)	<u>013</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>L-3 COMMUNICATIONS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3937436</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: L-3 COMM. CORPORATION MASTER TRUST

b Name of sponsor of entity listed in (a): L-3 COMMUNICATIONS CORPORATION

c EIN-PN <u>13-3937436-020</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>6112337</u>
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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)
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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)
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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)
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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)
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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)
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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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
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plan sponsor**c** EIN-PN

SCHEDULE I (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information—Small Plan 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). ► File as an attachment to Form 5500.		OMB No. 1210-0110
			2012
			This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012			
A Name of plan L-3 SPACE & NAVIGATION PENSION PLAN FOR HOURLY EMPLOYEES		B Three-digit plan number (PN) ►	013
C Plan sponsor's name as shown on line 2a of Form 5500 L-3 COMMUNICATIONS CORPORATION		D Employer Identification Number (EIN) 13-3937436	

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I	Small Plan Financial Information
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Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. 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.**

1 Plan Assets and Liabilities:		(a) Beginning of Year	(b) End of Year
a Total plan assets	1a	5694308	6119362
b Total plan liabilities	1b	25605	9815
c Net plan assets (subtract line 1b from line 1a)	1c	5668703	6109547
2 Income, Expenses, and Transfers for this Plan Year:		(a) Amount	(b) Total
a Contributions received or receivable:			
(1) Employers	2a(1)	148000	
(2) Participants	2a(2)		
(3) Others (including rollovers)	2a(3)		
b Noncash contributions	2b		
c Other income	2c	715187	
d Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	2d		863187
e Benefits paid (including direct rollovers)	2e	309352	
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Administrative service providers (salaries, fees, and commissions)	2h		
i Other expenses	2i	112991	
j Total expenses (add lines 2e, 2f, 2g, 2h, and 2i)	2j		422343
k Net income (loss) (subtract line 2j from line 2d)	2k		440844
l Transfers to (from) the plan (see instructions)	2l		

3 Specific Assets: If the plan held assets at anytime during the plan year in any of the following categories, check "Yes" and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.			
		Yes	No
a Partnership/joint venture interests	3a		X
b Employer real property	3b		X
c Real estate (other than employer real property)	3c		X
d Employer securities	3d		X
e Participant loans	3e		X
		Amount	

	Yes	No	Amount
3f Loans (other than to participants)		X	
g Tangible personal property		X	

Part II Compliance Questions

4 During the plan year:	Yes	No	Amount
a 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 Were any loans by the plan or fixed income obligations due the plan in default as of the close of plan year or classified during the year as uncollectible? Disregard participant loans secured by the participant's account balance.		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible?		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a.).....		X	
e Was the plan covered by a fidelity bond?	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g 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	
h 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	
i Did the plan at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?.....		X	
j Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
k Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If "No," attach an IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n 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)

Part III Trust Information (optional)

6a Name of trust	6b Trust's EIN
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SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information 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). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>L-3 SPACE & NAVIGATION PENSION PLAN FOR HOURLY EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>013</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>L-3 COMMUNICATIONS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3937436</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 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): EIN(s): <u>13-7074646</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>1</u>

Part II	Funding Information (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)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 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.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c 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).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 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. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (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.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
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.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2012
v. 120126

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 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:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

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

- 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Line 26 – Schedule of Active Participant Data
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Participants in Active Service by Age and Years of Benefit Service as of January 1, 2012

Age	Years of Benefit Service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over
Under 25	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --
25-29	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --
30-34	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --
35-39	-- --	-- --	-- --	-- --	1 --	-- --	-- --	-- --	-- --	-- --
40-44	-- --	-- --	-- --	-- --	1 --	-- --	-- --	-- --	-- --	-- --
45-49	-- --	-- --	2 --	-- --	2 --	-- --	3 --	-- --	-- --	-- --
50-54	-- --	-- --	-- --	-- --	-- --	1 --	6 --	-- --	-- --	-- --
55-59	-- --	-- --	-- --	-- --	2 --	2 --	6 --	-- --	-- --	-- --
60-64	-- --	-- --	-- --	-- --	-- --	1 --	3 --	-- --	-- --	-- --
65-69	-- --	-- --	-- --	-- --	-- --	-- --	1 --	-- --	-- --	-- --
70 & Over	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --

Includes 10 participants with layoff status

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Actuarial Assumptions and Methodologies

Interest:	<p>The interest rates used for the 2012 plan year are the 24-month average corporate bond yields ending in August 2011. This valuation reflects the plan sponsor decision for the 2012 plan year not to opt out of funding stabilization. Under stabilization, the interest rates used for funding purposes are calculated in the usual manner but are then constrained to be within a corridor around a 25-year average. These discount rates are 5.54% for payments in the first 5 years, 6.85% for payments in years 6 – 20, and 7.52% for payments thereafter, which translates to an effective interest rate of 7.02%. Before reflecting funding stabilization, the discount rates are 2.06% for payments in the first 5 years, 5.25% for payments in years 6 – 20, and 6.32% for payments thereafter, which translates to an effective interest rate of 5.52%. (Prior year 24-month average corporate bond rates were 3.78% for payments in the first 5 years, 6.31% for payments in years 6 – 20, and 6.57% for payments thereafter, which translates to an effective interest rate of 6.28%.)</p> <p>The yield curve used to determine the PBGC variable rate premium is the same as funding, without reflecting funding stabilization.</p>																														
Mortality rates:	<p>RP-2000 combined annuitant and non-annuitant tables with static projection. Mortality is projected through the valuation date plus 7 years for annuitants, and through the valuation date plus 15 years for nonannuitants. This assumption is one of the choices allowed by the regulations. (Previously, RP-2000 separate annuitant and non-annuitant tables with static projection to 2018 and 2026, respectively.)</p>																														
Withdrawal rates:	<table><tr><th>Age</th><th>Male</th><th>Female</th></tr><tr><td>20</td><td>9.90%</td><td>14.90%</td></tr><tr><td>25</td><td>9.90</td><td>14.90</td></tr><tr><td>30</td><td>7.35</td><td>10.90</td></tr><tr><td>35</td><td>4.80</td><td>6.90</td></tr><tr><td>40</td><td>3.20</td><td>4.85</td></tr><tr><td>45</td><td>1.60</td><td>2.80</td></tr><tr><td>50</td><td>0.80</td><td>1.40</td></tr><tr><td>55</td><td>0.00</td><td>0.00</td></tr><tr><td>60</td><td>0.00</td><td>0.00</td></tr></table> <p>Turnover rates were cut at the first eligibility for retirement.</p>	Age	Male	Female	20	9.90%	14.90%	25	9.90	14.90	30	7.35	10.90	35	4.80	6.90	40	3.20	4.85	45	1.60	2.80	50	0.80	1.40	55	0.00	0.00	60	0.00	0.00
Age	Male	Female																													
20	9.90%	14.90%																													
25	9.90	14.90																													
30	7.35	10.90																													
35	4.80	6.90																													
40	3.20	4.85																													
45	1.60	2.80																													
50	0.80	1.40																													
55	0.00	0.00																													
60	0.00	0.00																													

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Actuarial Assumptions and Methodologies *continued*

Disability rates:

Age	Male	Female
20	0.09%	0.05%
25	0.09	0.05
30	0.12	0.09
35	0.15	0.13
40	0.24	0.22
45	0.33	0.30
50	0.64	0.53
55	0.94	0.76
60	1.36	0.93

Retirement rates from active status:

Age	Rates
55	10%
56 – 59	5
60 – 61	15
62 – 64	50
65	35
66 -69	20
70	100

In addition, rate of at least 30% is assumed for the first year of 30 years of credited service attainment.

Previously:

Age	Rates
55 – 59	5%
60 – 61	15
62 – 64	50
65	100

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Retirement from inactive status:	Age 65		
Percent married:	70% for male participants and 55% for female participants, with males 3 years older		
Administrative expenses:	\$125,000 (previously, \$200,000)		
Layoff assumptions:	Participants on layoff status are not considered terminated until recall rights expire.		
Form of benefit:	Single participants are assumed to elect life annuity; married participants are assumed to elect 60% J&S annuity. (Previously, all participants were assumed to elect life annuity).		
Asset method:	As selected by the plan sponsor, assets are determined by averaging the market value as of the valuation date and the adjusted market values as of the preceding two years. The resulting value is limited to between 90% to 110% of market value of assets. The adjusted market values reflect cash flow and expected earnings to the valuation date. The expected earnings are based on an assumed rate of return of 7.5%, not to exceed the applicable third segment rate of 6.82% in 2010 and 6.57% in 2011.		
Funding method:	Funding method is unit credit actuarial cost method, as prescribed by law. The liability is measured on an accrual-to-date basis using mandated mortality tables and interest rates with no salary projection past the end of the year.		
Assumption changes since prior valuation:	<u>Assumption Type</u>	<u>Current Assumption</u>	<u>Prior Assumption</u>
	Mortality rates	Combined annuitant and non-annuitant tables	Separate annuitant and non-annuitant tables
	Retirement	Age-based schedule with higher rate at 55 and lower rates beginning at age 65	Age-based schedule
	Administrative Expenses	\$125,000	\$200,000
	Assumed form of payment for married participants	60% J&S annuity	Life annuity
<i>The above changes were based on Sibson Consulting's November 2011 analysis. The assumption changes did not result in a decrease in the ERISA funding shortfall for the current plan that would require IRS approval.</i>			

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

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.

PLAN STATUS: Closed to new hires effective April 1, 2007. Employees hired prior to April 1, 2007 will receive ongoing accruals.	
Normal retirement:	
<i>Age requirement:</i> 65	
<i>Service requirement:</i> 5	
<i>Amount:</i> For retirements during the period shown below:	
<u>Period</u>	<u>Amount</u>
April 1, 2007 through March 31, 2008	\$38 per month per year of credited service
April 1, 2008 through March 31, 2009	\$39 per month per year of credited service
April 1, 2009 through March 31, 2010	\$40 per month per year of credited service
April 1, 2010 and thereafter	\$41 per month per year of credited service
Early Retirement:	
<i>Eligibility (any of the following):</i>	
a) Age 60 and 10 years of eligibility service	
b) Age 55 and 85 points (points are the sum of age and credited service)	
c) Attainment of 30 years of credited service	
<i>Amount:</i> For retirements during the period shown below:	
<u>Period</u>	<u>Amount</u>
April 1, 2007 through March 31, 2008	\$38 per month per year of credited service
April 1, 2008 through March 31, 2009	\$39 per month per year of credited service
April 1, 2009 through March 31, 2010	\$40 per month per year of credited service
April 1, 2010 and thereafter	\$41 per month per year of credited service

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Summary of Plan Provisions *continued*

Multiplied by the following factor:

Benefit Commencement	Percentage	Benefit Commencement	Percentage
47	30.4%	55	57.9%
48	32.8	56	63.5
49	35.4	57	69.4
50	38.3	58	75.2
51	41.5	59	80.8
52	45.0	60	86.7
53	48.9	61	93.3
54	53.2	62	100.0

For retirement under (c) above: same as (a) or (b) except benefit increased to unreduced amount upon attainment of age 62.

Late Retirement:

Amount: Additional accruals to actual retirement date.

Disability

Age requirement: None

Service requirement: 10 years of vesting service

Amount: For disability retirements during the period shown below:

<u>Period</u>	<u>Amount</u>
April 1, 2007 through March 31, 2008	\$38 per month per year of credited service
April 1, 2008 through March 31, 2009	\$39 per month per year of credited service
April 1, 2009 through March 31, 2010	\$40 per month per year of credited service
April 1, 2010 and thereafter	\$41 per month per year of credited service

In addition, a Supplemental Allowance is payable until age 62 only participant is not eligible to receive Social Security Disability Benefits.

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Supplemental allowance:

Payable until age 62 or age when 80% of the Social Security Benefit would be payable for those born between 1938 and 1942 (inclusive) to participants retiring with early retirement or disability pension.

- a) For participant retiring under “30 and out” provision, the amount payable is an amount such that the total benefit paid is \$2,800 per month (previously \$2,700 per month).
- b) For participants retiring early but *not* under “30 and out” provision, the amount payable is based on the following:

Attained age at retirement	Additional benefit per year of credited service
55	\$18.70 per month
56	22.00
57	26.70
58	31.30
59	34.95
60	38.25
61	38.25

- c) For participants retiring with a disability pension, a “Temporary Benefit” of \$45.00 per month per year of credited service (up to 30 years). The “Temporary Benefit” is only payable if participants is not eligible for Social Security Disability Benefits.

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Summary of Plan Provisions *continued*

Special early retirement:	
<i>Eligibility (all of the following):</i>	<ul style="list-style-type: none"> a) 10 or more years of vesting service, b) Age between 55 and 65 c) Participant has not been discharged for cause d) Unusual circumstances result in L-3 asking a participant to retire, and e) The participant and L-3 have agreed that the participant should retire with special benefits.
<i>Benefits:</i>	The lifetime income benefit is unreduced for early retirement. A supplemental benefit of \$2,800 per month (previously, \$2,700 per month) is payable until age 62 and 1 month (may have temporary benefit included) and a Medicare supplement of \$60 is payable at age 65.
Special Medicare Part B reimbursement benefit:	
	<p>This benefit is payable to participants retiring from active service with a retirement or disability pension, and to surviving spouses of such participants, as well as to surviving spouses of employees who die in active service.</p> <p>The benefit commences upon attainment of age 65, or receipt by the Board of proof of enrollment in Medicare Part B, whichever is later.</p> <p>\$60.00 for months commencing on or after February 1, 2003. In no event shall the benefit paid for a month exceed the generally applicable Medicare Part B premium for that month.</p>
Withdrawal benefits:	
<i>Service requirement:</i>	5 years of vesting service (none for participants hired prior to January 1, 2000)
<i>Amount:</i>	<p>Accrued benefit payable at age 65.</p> <p>Participant may also elect to commence payment any time after attainment of age 60, or any time after attainment of age 55 with 85 points (points measured using credited service), subject to a benefit reduction of 5/9 of 1% for each of the first 60 months by which the commencement date precedes age 65, plus 5/18 of 1% for each such month in excess of 60.</p> <p>If the actuarial equivalent lump sum amount of a deferred vested benefit is under \$5,000, this sum will be paid automatically.</p>

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Summary of Plan Provisions *continued*

Death benefits:	
	<p>For deaths occurring in service, after attainment of eligibility to retire: an amount payable for the life of the surviving spouse equal to 60% of the benefit that would have been payable had the employee retired on the date of his death and elected the Survivorship Option.</p> <p>Survivorship Option: Benefit otherwise payable to employees is reduced by 5%, with an additional reduction of 0.5% for each year in excess of 5 years up to 10 years by which the spouse's age is less than the employee's, and with an offsetting increase of 0.5% for each year in excess of 5 by which the spouse's age exceeds the employee's. Upon employee's death, spouse receives life income of 60% of benefit which was or would have been payable to employee when he was 65.</p>
Payment forms:	
<i>Normal form:</i>	Life annuity;
	60% joint and survivor annuity for married participants. The benefit is calculated by reducing the amount payable under a single life annuity by 5%. An additional reduction is made in the amount of 0.5% per year, for each year in excess of five by which participant's birth date precedes that of the spouse. If the spouse is older, the benefit is increased by 0.5% per year, for each year in excess of five by which spouse's birthday precedes participant's birthday.
<i>Optional form:</i>	75% joint and survivor annuity – The form is actuarially equivalent to life annuity. Actuarial equivalence is based on 9% interest rate and the 1971 Group Annuity Mortality Table for male lives.
<i>Lump sum benefits:</i>	Benefits with a present value less than \$5,000 are automatically cashed out. An optional lump sum payment is available if the present value of the benefit is less than \$10,000.
Participation:	
	Employees who are members of UAW Local Union No. 153
<i>Age requirement:</i>	None
<i>Service requirement:</i>	One year of service in which at least 1,000 hours worked.
<i>Eligibility requirement:</i>	Only employees hired before 4/1/2007 are eligible to participate.

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Summary of Plan Provisions *continued*

Credited service:	
	One year for each calendar year of employment in which at least 1,700 hours worked. Ratable accrual (rounded to nearest twelfth of a year) given for calendar years in which under 1,700 hours worked.
Vesting (eligibility) service:	
	Full year given for each calendar year in which at least 1,000 hours worked; otherwise no credit given. If eligibility service is less than credited service at retirement or termination, it shall be deemed equal to credited service. Participants hired prior to January 1, 2000 are fully vested as of that date.

Amendments

Plan Amendment	Effective Date	Reflected in 2012 Actuarial Valuation?
1. The optional 75% joint and survivor annuity was added as a form of Payment.	January 1, 2007	Yes
2. No new employees are eligible to participate in the plan. Also, effective with retirements beginning on April 1, 2007, the monthly benefit amount payable is increased from \$37 to \$38. On April 1, 2008, the monthly benefit amount payable is increased from \$38 to \$39. On April 1, 2009, the monthly benefit amount payable is increased from \$39 to \$40. On April 1, 2010, the monthly benefit amount payable is increased from \$40 to \$41.	April 1, 2007	Yes
3. It pertains to plan provisions that do not impact the valuation.	January 1, 2007	N/A
4. It pertains to plan provisions that do not impact the valuation.	January 1, 2007	N/A
5. It pertains to plan provisions that do not impact the valuation.	January 1, 2007	N/A
6. The Early Retirement supplement was increased to \$2,800 per month (previously \$2,700 per month)	July 1, 2011	Yes

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Line 32 – Schedule of Amortization Bases
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Schedule of Shortfall Amortization Bases as of January 1, 2012

Year Established	Original Base	Present Value of Remaining Installments	Years Remaining	Shortfall Amortization Charge
2012	(\$548,173)	(\$548,173)	7	(\$93,038)
2011	1,132,669	972,770	6	186,357
Total		\$424,597		\$93,319

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Line 24 – Change in Actuarial Assumptions
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

Change in Actuarial Assumptions

Assumption changes since prior valuation:	Assumption Type	Current Assumption	Prior Assumption
	Mortality rates	Combined annuitant and non-annuitant tables	Separate annuitant and non-annuitant tables
	Retirement	Age-based schedule with higher rate at 55 and lower rates beginning at age 65	Age-based schedule
	Administrative Expenses	\$125,000	\$200,000
	Assumed form of payment for married participants	60% J&S annuity	Life annuity
The above changes were based on Sibson Consulting's November 2011 analysis to better reflect anticipated plan experience. The assumption changes did not result in a decrease in the ERISA funding shortfall for the current plan that would require IRS approval.			

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Line 22 – Description of Weighted Average Retirement Age
L-3 Space and Navigation Pension Plan for Hourly Employees
EIN 13-3937436 PN 013

<u>Age</u>	<u>Rate</u>	<u>Probability of Retiring</u>	<u>Age x Probability</u>
55	10.00%	10.00%	5.50
56	5.00%	4.50%	2.52
57	5.00%	4.28%	2.44
58	5.00%	4.06%	2.36
59	5.00%	3.86%	2.28
60	15.00%	11.00%	6.60
61	15.00%	9.35%	5.70
62	50.00%	26.48%	16.42
63	50.00%	13.24%	8.34
64	50.00%	6.62%	4.24
65	35.00%	2.32%	1.51
66	20.00%	0.86%	0.57
67	20.00%	0.69%	0.46
68	20.00%	0.55%	0.37
69	20.00%	0.44%	0.30
70	100.00%	1.76%	1.23
			60.84

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information 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). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **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.

A Name of plan L-3 Space and Navigation Pension Plan for Hourly Employees	B Three-digit plan number (PN) ►	<u>013</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF L-3 Communications Corporation	D Employer Identification Number (EIN) 13-3937436	
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 <u>01</u> Day <u>01</u> Year <u>2012</u>			
2 Assets:			
a Market value	2a	5686078	
b Actuarial value	2b	5701566	
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	21	2146926
b For terminated vested participants	3b	23	735217
c For active participants:			
(1) Non-vested benefits	3c(1)		928840
(2) Vested benefits	3c(2)		1828759
(3) Total active	3c(3)	31	2757599
d Total	3d	75	5639742
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
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 in at-risk status for fewer than five consecutive years and disregarding loading factor.....			4b
5 Effective interest rate	5		7.02%
6 Target normal cost	6		219092

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.

SIGN HERE	AIDA DOMLIJA <div style="text-align: center;"> Signature of actuary </div>	<div style="text-align: center;"> <u>7/11/2013</u> Date </div>
	AIDA DOMLIJA, FSA, MAAA Type or print name of actuary	11-06955 Most recent enrollment number
	SIBSON CONSULTING Firm name	212-251-5000 Telephone number (including area code)
	333 W 34TH STREET NEW YORK NY 10001-2402 Address of the firm	

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, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	249875	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	249875	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>3.17%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		464991
	b Interest on (a) using prior year's effective interest rate of <u>6.28%</u> except as otherwise provided (see instructions)		21430
	c Total available at beginning of current plan year to add to prefunding balance		486421
	d Portion of (c) to be added to prefunding balance		486421
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	486421

Part III Funding Percentages			
14	Funding target attainment percentage	14	92.47%
15	Adjusted funding target attainment percentage	15	101.09%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	84.41%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/01/2013	148000				
Totals ▶			18(b)	148000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 133457
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
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52%
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		4
22 Weighted average retirement age	22		61
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	219092	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	424597	93319	
b Waiver amortization installment	0	0	
33 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	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	312411	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	312411	312411
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	133457	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	133457	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	133457	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		