

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	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 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>011</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>05/01/1997</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>011</u>	1c Effective date of plan <u>05/01/1997</u>	
1b Three-digit plan number (PN) ▶	<u>011</u>				
1c Effective date of plan <u>05/01/1997</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> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <u>600 THIRD AVENUE</u> <u>NEW YORK, NY 10016-1901</u> </div> <div style="width: 45%;"> <u>640 NORTH 2200 W</u> <u>P.O. BOX 16850</u> <u>SALT LAKE CITY, UT 84116</u> </div> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-3937436</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>212-697-1111</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>334200</u></td> </tr> </table>	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>	
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. Signature of plan administrator	<u>09/19/2013</u> Date	<u>PAT HEMPHILL</u> 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 1657
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 1334	
b Retired or separated participants receiving benefits.....	6b 101	
c Other retired or separated participants entitled to future benefits.....	6c 209	
d Subtotal. Add lines 6a , 6b , and 6c	6d 1644	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 7	
f Total. Add lines 6d and 6e	6f 1651	
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: 1A 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 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II</u>	B Three-digit plan number (PN) ▶ <u>011</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>53533849</u>
b Actuarial value	2b <u>53805289</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>88</u> <u>4136590</u>
b For terminated vested participants.....	3b <u>185</u> <u>3513190</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>2156309</u>
(2) Vested benefits.....	3c(2) <u>38477120</u>
(3) Total active	3c(3) <u>1384</u> <u>40633429</u>
d Total	3d <u>1657</u> <u>48283209</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>7.26 %</u>
6 Target normal cost.....	6 <u>5522686</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)	3642160	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	3642160	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>2.98</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)		3108
b Interest on (a) using prior year's effective interest rate of <u>6.45</u> % except as otherwise provided (see instructions)		93
c Total available at beginning of current plan year to add to prefunding balance		3201
d Portion of (c) to be added to prefunding balance		0
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	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	111.43 %
15 Adjusted funding target attainment percentage	15	111.43 %
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	88.70 %
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
04/12/2012	2025000				
07/05/2012	2025000				
12/28/2012	109000				
07/01/2013	1978000				
			Totals ►	18(b)	6137000
				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	5819222
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	(4) 4th
0	0	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 64
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	5522686	
b Excess assets, if applicable, but not greater than line 31a	31b	5522080	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
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	606	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	606	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	5819222	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	5818616	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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		

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

SCHEDULE H (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>	Financial Information 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.	<small>OMB No. 1210-0110</small> 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 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II	B Three-digit plan number (PN) ►	011
C Plan sponsor's name as shown on line 2a of Form 5500 L-3 COMMUNICATIONS CORPORATION	D Employer Identification Number (EIN) 13-3937436	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	3177000	1978000
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	50421800	63948535
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	53598800	65926535

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	107398	106254
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	107398	106254

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	53491402	65820281
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	6137000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6137000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(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)		7361190
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		13498190

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	608078	
(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)		608078
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	561233	
(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)		561233
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1169311

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		12328879
l 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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c 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	
d 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	
e Was this 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 have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j 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	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		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 V Trust Information (optional)

6a Name of trust

6b Trust's EIN

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 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II</u>	B Three-digit plan number (PN) ▶ <u>011</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
---------------	----------------------

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>4</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.
----------------	---

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: 47% Investment-Grade Debt: 15% High-Yield Debt: 0.0% Real Estate: 5% Other: 33%

- 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):

L-3 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II

Financial Statements as of
and for the Years Ended
December 31, 2012 and 2011

L-3 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II
INDEX TO FINANCIAL STATEMENTS

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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.



Independent Auditor's Report

To the Participants and Administrator of the
L-3 Communication Systems-West Retirement Plan II:

We have audited the accompanying financial statements of L-3 Communication Systems-West Retirement Plan II (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, 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, 2012, and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2012 and changes therein for the year then ended and its financial status as of December 31, 2011, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

September 10, 2013

L-3 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2012 and 2011
(Dollars in thousands)

	<u>2012</u>	<u>2011</u>
Assets:		
Interest in Master Trust, at fair value	\$63,949	\$50,422
Employer contribution receivable	<u>1,978</u>	<u>3,177</u>
Total assets	<u>65,927</u>	<u>53,599</u>
Liabilities:		
Accrued expenses	<u>106</u>	<u>107</u>
Net assets available for benefits	<u><u>\$65,821</u></u>	<u><u>\$53,492</u></u>

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

L-3 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011
(Dollars in thousands)

	<u>2012</u>	<u>2011</u>
Additions:		
Interest in Master Trust investment income	\$ 7,361	\$ 1,491
Employer contributions	<u>6,137</u>	<u>4,789</u>
Total additions	<u>13,498</u>	<u>6,280</u>
Deductions:		
Benefit payments	608	465
Plan expenses	<u>561</u>	<u>546</u>
Total deductions	<u>1,169</u>	<u>1,011</u>
Net increase	12,329	5,269
Net assets available for benefits, beginning of year	<u>53,492</u>	<u>48,223</u>
Net assets available for benefits, end of year	<u>\$ 65,821</u>	<u>\$ 53,492</u>

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

L-3 COMMUNICATION SYSTEMS-WEST RETIREMENT PLAN II
STATEMENTS OF ACCUMULATED PLAN BENEFITS AND
CHANGES IN ACCUMULATED PLAN BENEFITS
AS OF AND FOR THE YEAR ENDED JANUARY 1, 2012
(Dollars in thousands)

Statement of Accumulated Plan Benefits:	January 1, 2012
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	\$ 3,734
Other participants	35,344
Total vested benefits	39,078
Non-vested benefits	1,773
Total actuarial present value of accumulated plan benefits	<u>\$ 40,851</u>
Statement of Changes in Accumulated Plan Benefits:	Year Ended January 1, 2012
Actuarial present value of accumulated	
plan benefits as of January 1, 2011	\$42,152
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial experience	5,243
Increase for interest due to decrease in discount period.....	3,161
Benefits paid..... ⁽¹⁾	(465)
Change in actuarial assumptions ⁽¹⁾	(9,240)
Net decrease	(1,301)
Actuarial present value of accumulated	
plan benefits as of January 1, 2012	<u>\$ 40,851</u>

⁽¹⁾ See Note 4 for changes in the more significant assumptions in the underlying actuarial computations for the year ended January 1, 2012.

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

L-3 COMMUNICATION SYSTEMS- WEST RETIREMENT PLAN II
NOTES TO FINANCIAL STATEMENTS
(Dollars in thousands)

1. Plan Description

The following brief description of the L-3 Communication Systems-West Retirement Plan II (the “Plan”), formerly known as the L-3 Communication Systems- Salt Lake Retirement Plan II, is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan was established effective May 1, 1997. The Plan is a non-contributory defined benefit plan covering employees hired after May 1, 1997 at L-3 Communications Systems-West division of L-3 Communications Corporation (the “Company”), a wholly owned subsidiary of L-3 Communications Holdings, Inc. (“Holdings”) and employees of the Wideband Operations of Lockheed Martin Corporation, the former employer, as of April 30, 1997, who were not eligible to participate in the prior plan and became an employee of the Company on May 1, 1997. Participation in the Plan commenced for employees on January 1st or June 1st following completion of one year of service and attainment of age 21. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Effective October 31, 2005, the Plan was frozen and any employees hired on or after that date are not eligible to participate in the Plan. Employees hired prior to October 31, 2005 were eligible to participate in the Plan upon satisfying the applicable Plan provisions.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Interest 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 undivided 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 undivided 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, and corporate bonds. See Note 6 for a description of the valuation methodologies of the assets of the Master Trust.

L-3 COMMUNICATIONS SYSTEMS –WEST RETIREMENT PLAN II
NOTES TO FINANCIAL STATEMENTS – continued
(Dollars in thousands)

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.

Net Investment Income from Master Trust

The net investment income from the Master Trust includes interest and dividend income and net appreciation or depreciation in the fair value of investments, which includes net gains or losses realized upon disposition of investments and net unrealized appreciation or depreciation of investments. The net investment income 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 ("U.S. GAAP") 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 risks. Due to the level of risk associated with certain investments and the

L-3 COMMUNICATIONS SYSTEMS –WEST RETIREMENT PLAN II
NOTES TO FINANCIAL STATEMENTS – continued
(Dollars in thousands)

level of uncertainty related to changes in the value of investments, it is at least reasonably possible that 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 10, 2013, the date the financial statements were available to be issued.

Effective January 2013, the Company transferred the E&TS business segment from Communication Systems West (CSW) to Stratis. As a result, the definition of eligible employee is changed to include employees of E&TS who were participants while employed by CSW prior to the business transfer and who are now employed by Stratis.

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 required from the Company in 2012 and 2011 to the Plan under the minimum funding requirements of ERISA were less than \$1 and \$4,455, respectively. Contributions are calculated using the Projected Unit Credit 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. The funding target 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.

4. Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service that employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

The Plan provides an annual benefit for participants of 1% of compensation earned during each plan year up to the Integration Level plus 1.35% of the excess of compensation over the Integration Level for each year of credited service. The Integration Level is 50% of the average of the last 5 years social security wage bases. Benefits vest 100% after 5 years of cumulative service and are payable at age 65.

L-3 COMMUNICATIONS SYSTEMS –WEST RETIREMENT PLAN II
NOTES TO FINANCIAL STATEMENTS – continued
(Dollars in thousands)

The Plan permits early retirement for participants at ages 55 to 64 with at least 5 years of service. The benefit may begin at the date of early retirement, reduced by 6% for each year by which commencement of benefits precedes the normal retirement date (age 65 or age 62 for a participant with 20 or more years of service). Retirees may elect to receive their pension benefits in the form of a joint and survivor annuity or a life annuity payable monthly from the date of retirement. Under the joint and survivor annuity, if a vested participant dies prior to the date pension benefits commence, the surviving spouse of the deceased vested participant receives benefits equal to 50% of the amount which would have been payable to the retiree under a joint and survivor annuity. Under the life annuity, there are no continuing payments after the death of the retiree. If participants are terminated before completing 5 years of service, they forfeit the right to receive their accumulated benefits.

The actuarial present value of the accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2012 and 2011 were:

Mortality basis	RP-2000 Annuitant and Non-Annuitant healthy Tables (sex-specific) with static projection and no collar-adjustment through the valuation date plus another 7 years for annuitants and 15 years for non-annuitants.
Retirement	Retirement at ages 55 through 70, at varying rates, with 100% by age 70.
Discount rate for the determination of the present value of accumulated plan benefits	2012 - 8.25%; 2011 – 7.5%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors may be applicable in determining the actuarial present value of accumulated Plan benefits. The computation of the actuarial present value of accumulated plan benefits was made as of January 1, 2012.

L-3 COMMUNICATIONS SYSTEMS –WEST RETIREMENT PLAN II
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, 2012 and 2011 is presented in the table below. The Plan's percentage interest in the Master Trust was 3.6% at December 31, 2012 and 3.4% at December 31, 2011.

	<u>2012</u>	<u>2011</u>
Corporate equity securities	\$ 1,114,363	\$ 860,292
Commingled trust funds and mutual funds	556,650	524,547
Corporate bonds	101,019	82,858
Forward contracts.....	(107)	264
Accrued income	3,741	3,701
Unsettled trades, net.....	288	758
	<u>\$ 1,775,954</u>	<u>\$ 1,472,420</u>

The following presents the investment income of the Master Trust for the years ended December 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Net appreciation of investments.....	\$ 166,841	\$ 9,565
Interest.....	7,724	6,674
Dividends	33,021	29,848
Other	78	256
	<u>\$ 207,664</u>	<u>\$ 46,343</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, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Corporate equity securities	\$ 129,976	\$ 15,978
Commingled trust funds and mutual funds	26,453	(3,523)
Corporate bonds	10,371	(3,087)
Forward contracts.....	(360)	246
Other	401	(49)
	<u>\$ 166,841</u>	<u>\$ 9,565</u>

L-3 COMMUNICATIONS SYSTEMS –WEST RETIREMENT PLAN II
NOTES TO FINANCIAL STATEMENTS – continued
(Dollars in thousands)

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 Benefit Plan Committee determines the Plan's valuation policies utilizing information provided by the investment advisors and custodian. 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, a mutual fund classified under Fixed Income – Investment Grade and Real Estate Investment Trusts, 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 primarily include commingled trust funds and corporate high-yield bonds.

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, 2012 and 2011, 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. There were no transfers during the year between levels 1, 2 or 3.

L-3 COMMUNICATIONS SYSTEMS –WEST RETIREMENT PLAN II
NOTES TO FINANCIAL STATEMENTS – continued
(Dollars in thousands)

Asset Category	Fair Value Measured at December 31, 2012				Fair Value Measured at December 31, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity securities ⁽¹⁾ :								
U.S. Equity.....	\$ 905,144	\$ —	\$ —	\$ 905,144	\$ 717,777	\$ —	\$ —	\$ 717,777
International Equity	67,605	118,590	—	186,195	65,732	101,520	—	167,252
Fixed Income —								
Investment Grade ⁽²⁾	196,806	199,003	—	395,809	188,868	188,388	—	377,256
Fixed Income —								
High Yield ⁽³⁾	—	106,785	—	106,785	—	87,023	—	87,023
Real Estate Investment								
Trusts ⁽⁴⁾	139,767	—	—	139,767	101,176	—	—	101,176
Other ⁽⁵⁾	—	42,254	—	42,254	—	21,936	—	21,936
Total	<u>\$ 1,309,322</u>	<u>\$ 466,632</u>	<u>\$ —</u>	<u>\$1,775,954</u>	<u>\$ 1,073,553</u>	<u>\$ 398,867</u>	<u>\$ —</u>	<u>\$1,472,420</u>

(1) Equity securities consist of investments in common stock of U.S. and international 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 international exchanges. The Level 2 investment balance is derived from a regulated commingled equity trust fund, which fair value is based on the net asset value (NAV) at the end of each month. The NAV is calculated by the fund manager based on the fair value of the funds holdings, primarily equity securities traded in active markets, determined as of the end of each month. Withdrawals are permitted monthly based on NAV.

(2) Approximately 50% of plan assets that are invested in the Fixed Income — Investment Grade asset category consist of a mutual fund offered by a registered investment company (the “Fund”). The 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. The remaining 50% of plan assets are invested in a regulated commingled bond trust fund (the “Bond Fund”) and classified as Level 2. As this Bond Fund does 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. Withdrawals are permitted monthly based on NAV.

(3) 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.

(4) Real Estate Investment Trusts (REITs) consist of securities that trade on the major exchanges and invest directly in real estate, either through properties or mortgages.

(5) Other consists primarily of cash equivalents maintained in commingled trust funds, which invest primarily in short term, high quality money market securities such as government obligations, commercial paper, time deposits and certificates of deposit, and are classified as Level 2.

7. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated August 20, 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.

U.S. GAAP requires 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, 2012, 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

L-3 COMMUNICATIONS SYSTEMS –WEST RETIREMENT PLAN II
NOTES TO FINANCIAL STATEMENTS – continued
(Dollars in thousands)

administrator believes it is no longer subject to income tax examinations for years prior to the year ended December 31, 2009.

The Plan recognizes accrued interest and penalties related to unrecognized tax benefits in tax expense. There were no interest and penalties included in the Plan's financial statements.

8. *Related Party Transactions*

Certain plan investments held in the Master Trust are units of a commingled trust fund managed by BNY Mellon, the Plan's trustee. As described in Note 2, the Plan (through the Master Trust) paid certain expenses related to plan operations and investment activity to various service providers. These transactions are exempt party in interest transactions under ERISA.

9. *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 of the Plan 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.
- d. All vested and non-vested benefits.

Whether participants receive all benefits to which they are entitled under the terms of the Plan should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation, up to specified limits.

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, line 24 - Change in Actuarial Assumptions
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Change in Actuarial Assumptions

Assumption changes since prior valuation:	<u>Assumption Type</u>	<u>Current Assumption</u>	<u>Prior Assumption</u>
	Salary Scale	4.00%	Age-based schedule
	Turnover	Age-based schedule	Age-based schedule with separate schedule during first five years of employment
	Disability	None	Age-based schedule
	Retirement	Age/Service-based schedule	Age-based schedule
	Assumed form of payment for married participants	100% joint and survivor	Single life annuity
	Administrative Expenses	\$400,000	\$635,000
<i>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.</i>			

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Line 26 – Schedule of Active Participant Data
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Participants in Active Service by Age, Years of Benefit Service and Average Salary
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	--	--	41	1	--	--	--	--	--	--
	--	--	\$65,921	--	--	--	--	--	--	--
30 - 34	--	--	184	13	--	--	--	--	--	--
	--	--	84,075	--	--	--	--	--	--	--
35 - 39	--	--	142	49	--	--	--	--	--	--
	--	--	91,810	\$113,798	--	--	--	--	--	--
40 - 44	--	--	118	63	--	--	--	--	--	--
	--	--	103,763	115,839	--	--	--	--	--	--
45 - 49	--	--	144	65	--	--	--	--	--	--
	--	--	103,558	120,848	--	--	--	--	--	--
50 - 54	--	--	165	64	--	--	--	--	--	--
	--	--	107,356	120,420	--	--	--	--	--	--
55 - 59	--	--	106	63	--	--	--	--	--	--
	--	--	100,256	98,469	--	--	--	--	--	--
60 - 64	--	--	87	38	--	--	--	--	--	--
	--	--	96,598	88,077	--	--	--	--	--	--
65 - 69	--	--	25	11	--	--	--	--	--	--
	--	--	81,596	--	--	--	--	--	--	--
70 & over	--	--	3	2	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--

Note: Compensation above is limited by IRC §401(a)(17).
Compensation is not shown in cells with less than 20 participants.

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Actuarial Assumptions and Methodologies (Funding)

Interest:	<p>The interest rates used for the 2012 plan year are the 24-month average corporate bond yields for 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 7.26%. 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 5.94%. (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 6.45%.)</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>RP2000 separate annuitant and non-annuitant healthy mortality tables (sex-specific) with static projection and no collar-adjustment. Mortality is projected through the valuation date plus another 7 years for annuitants, and through the valuation date plus another 15 years for nonannuitants. This assumption is one of the choices allowed by the regulations.</p>																				
Salary increases:	<p>4.00%</p> <p>Previously,</p> <table data-bbox="1192 1015 1598 1438"> <tr> <th>Age</th><th>Rate</th></tr> <tr> <td>20</td><td>15.0%</td></tr> <tr> <td>25</td><td>12.0</td></tr> <tr> <td>30</td><td>9.0</td></tr> <tr> <td>35</td><td>7.0</td></tr> <tr> <td>40</td><td>6.0</td></tr> <tr> <td>45</td><td>6.0</td></tr> <tr> <td>50</td><td>5.0</td></tr> <tr> <td>55</td><td>4.5</td></tr> <tr> <td>60</td><td>4.5</td></tr> </table>	Age	Rate	20	15.0%	25	12.0	30	9.0	35	7.0	40	6.0	45	6.0	50	5.0	55	4.5	60	4.5
Age	Rate																				
20	15.0%																				
25	12.0																				
30	9.0																				
35	7.0																				
40	6.0																				
45	6.0																				
50	5.0																				
55	4.5																				
60	4.5																				

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Actuarial Assumptions and Methodologies (Funding) *continued*

Termination rates:

Age	Rate
20	7.0%
25	6.0
30	5.0
35	4.0
40	2.5
45	2.0
50	1.5
55	0.0
60	0.0

Previously,

Age	First 5 years of service	Ultimate
20	14.0%	7.0%
25	12.0	6.0
30	10.0	5.0
35	8.0	4.0
40	7.0	2.5
45	6.0	2.0
50	3.0	1.5
55	0.0	0.0
60	0.0	0.0

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Actuarial Assumptions and Methodologies (Funding) *continued*

Disability rates:	None		
	Previously,		
		Age	Rate
		20	0.03%
		25	0.03
		30	0.03
		35	0.03
		40	0.03
		45	0.10
		50	0.22
		55	0.43
		60	0.81

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Actuarial Assumptions and Methodologies (Funding) *continued*

Retirement (from active status) rates:

Age	Less than 20 years of Service	More than 20 years of Service
55 - 59	3%	3%
60 - 61	3	15
62	15	25
63 - 64	15	15
65	35	35
66 - 69	20	20
70	100	100

Previously,

Age	Rates
55 - 61	3%
62 - 64	15
65 - 69	50
70	100

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Actuarial Assumptions and Methodologies (Funding) *continued*

Retirement from inactive status:	100% at age 65		
Percent married:	70% for male participants and 55% for female participants		
Age difference:	Husbands are three years older than their wives.		
Form of payment:	Life annuity for unmarried participants. 100% joint and survivor for married participants (previously, all retirees were assumed to elect a life annuity)		
Administrative expenses:	\$400,000 (previously, \$635,000)		
Asset method:	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 7.50%, 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>
	Salary Scale	4.00%	Age-based schedule
	Turnover	Age-based schedule	Age-based schedule with separate schedule during first five years of employment
	Disability	None	Age-based schedule
	Retirement	Age/Service-based schedule	Age-based schedule
	Assumed form of payment for married participants	100% joint and survivor	Single life annuity
	Administrative Expenses	\$400,000	\$635,000
<i>The above changes were based on Sibson Consulting's November 2011 analysis. The assumptions were further modified slightly to avoid 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 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

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:	Plan is closed to employees hired on or after October 31, 2005.
Normal retirement:	
Age requirement:	65
Service requirement:	None
Amount:	1% of compensation earned during each plan year up to the Integration Level plus 1.35% of the excess of compensation earned during each plan year over the Integration Level for each year of non-union service.
Integration level:	50% of the average of the last five Social Security wage bases.
Compensation:	Compensation paid by the employer including overtime, shift differential, overseas, performance-based bonuses plus Military pay for reserve duty, short term and long term disability pay.
Early retirement:	
Age requirement:	55
Service requirement:	5 years of service
Amount:	Accrued normal retirement benefit determined as of early retirement date, reduced by 6% for each year by which commencement of benefits precedes age 65 or, age 62 for a participant with 20 or more years of service.
Late retirement:	
Amount:	Greater of additional accruals to actual retirement date or actuarial equivalent of normal retirement benefit
Disability:	
Age requirement:	None
Service requirement:	None
Amount:	Benefit based on earnings before disability and credited service projected to Normal retirement date, payable at Normal retirement date.

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Summary of Plan Provisions *continued*

Vesting:	
Age requirement:	None
Service requirement:	5 years of service
Vesting percentage:	Accrued benefit payable at age 65 reduced by 6% per year if benefit commences early but not before age 55.
Pre-retirement death benefits:	
Age:	None
Service requirement:	5 years of service
Amount:	50% of benefit employee would have received had he/she retired the day before he/she died and elected the 50% joint and survivor option. Commences immediately if employee was eligible for early retirement at time of death. Otherwise, commences no earlier than the participant's first eligibility for early retirement.
Additional pre-retirement death benefits:	
	\$5,000 to beneficiary of participant who has died after terminating after attaining age 55 with ten years of vesting service.
Participation:	
Age requirement:	21 years
Service requirement:	1 year On January 1st or July 1st following employee's completion of one year of service; only covers new participants after May 1, 1997.
Service:	
Vesting:	All years of employment
Credited:	All years of employment

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Summary of Plan Provisions *continued*

Forms of benefit:																	
Normal form:	If married, pension benefits are paid in the form of a 50% joint and survivor annuity unless employee and spouse waive this form. If not waived, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If waived by employee and spouse, or if not married, benefits are payable for the life of the employee without reduction or in any other available optional form elected by the employee in an actuarially equivalent amount.																
Optional forms:	<p><i>Life annuity</i></p> <p><i>Joint and 100% survivor annuity</i> – benefit is reduced by the factor equal to 85% plus / (minus) 0.5% for each year a participant is younger / (older) than 65 plus / (minus) 0.5% for each year the beneficiary is older / (younger) than the participant. The factor cannot exceed 95%.</p> <p><i>Joint and 75% survivor annuity</i> – benefit is reduced by the factor equal to 88.5% plus / (minus) 0.5% for each year a participant is younger / (older) than 65 plus / (minus) 0.5% for each year the beneficiary is older / (younger) than the participant. The factor cannot exceed 96%.</p> <p><i>Joint and 50% survivor annuity</i> – benefit is reduced by the factor equal to 92% plus / (minus) 0.5% for each year a participant is younger / (older) than 65 plus / (minus) 0.5% for each year the beneficiary is older / (younger) than the participant. The factor cannot exceed 97.5%.</p> <p><i>Age 62 Social Security adjustment optional form</i> – projected Social Security benefit at age 62 is increased by the appropriate factor from the table below.</p> <table data-bbox="1171 971 1604 1312"> <tr> <th>Years to 62</th><th>Factor</th></tr> <tr><td>7</td><td>.485</td></tr> <tr><td>6</td><td>.535</td></tr> <tr><td>5</td><td>.590</td></tr> <tr><td>4</td><td>.655</td></tr> <tr><td>3</td><td>.725</td></tr> <tr><td>2</td><td>.805</td></tr> <tr><td>1</td><td>.900</td></tr> </table> <p><i>Life annuity with period certain guarantee of 120 or 180 months</i> – For 120 month guarantee, benefit is reduced by the factor equal to 93.5% plus / (minus) 0.5% for each year a participant is younger / (older) than 65. The factor cannot exceed 98.5%. For 180 month guarantee, benefit is reduced by the factor equal to 88% plus / (minus) 1.0% for each year a participant is younger / (older) than 65. The factor cannot exceed 98%.</p>	Years to 62	Factor	7	.485	6	.535	5	.590	4	.655	3	.725	2	.805	1	.900
Years to 62	Factor																
7	.485																
6	.535																
5	.590																
4	.655																
3	.725																
2	.805																
1	.900																

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Summary of Plan Provisions *continued*

Lump sum benefits:	Benefits with a present value less than or equal to \$1,000 are automatically cashed out. Benefits with a present value greater than \$1,000 but less than or equal to \$5,000 are eligible for a lump sum distribution but it will not be paid to the participant prior to his Normal Retirement Age without the participant's consent. If the present value of the benefit is greater than \$5,000 but less than or equal to \$20,000, the participant may elect to receive a lump sum or an annuity.
Actuarial equivalence:	For the lump sum and level income options, actuarial equivalence is based on 417(e) assumptions.
Section 415 limit:	
	\$200,000 (previously \$195,000)
Section 401(a)(17) limit:	
	\$250,000 (previously \$245,000)

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Summary of Plan Provisions continued

Plan Amendments

Plan Amendment	Effective Date	Reflected in 2012 Actuarial Valuation
Amendment 1 – Restated the definition of compensation, eliminated the 66 2/3% joint and survivor option, the 5 year and 20 year period certain life annuity options and the age 65 Social Security adjustment optional form.	January 1, 2007	Yes
Amendment 2 – Pertains to plan provisions that do not impact the valuation.	January 1, 2007	N/A
Amendment 3 – Pertains to plan provisions that do not impact the valuation.	January 1, 2008	N/A
Amendment 4 – Pertains to plan provisions that do not impact the valuation.	January 1, 2007	N/A
Amendment 5 – Pertains to plan provisions that do not impact the valuation.	July 1, 2011	N/A

Attachment to 2012 Schedule SB of Form 5500
Schedule SB, Line 22 – Description of Weighted Average Retirement Age
L-3 Communication Systems - West Retirement Plan II
EIN 13-3937436 PN 011

Less than 20 years of Service

More than 20 years of Service

<u>Age</u>	<u>Rate</u>	<u>Probability of Retiring</u>	<u>Age x Probability</u>	<u>Age</u>	<u>Rate</u>	<u>Probability of Retiring</u>	<u>Age x Probability</u>
55	3.00%	3.00%	1.65	55	3.00%	3.00%	1.65
56	3.00%	2.91%	1.63	56	3.00%	2.91%	1.63
57	3.00%	2.82%	1.61	57	3.00%	2.82%	1.61
58	3.00%	2.74%	1.59	58	3.00%	2.74%	1.59
59	3.00%	2.66%	1.57	59	3.00%	2.66%	1.57
60	3.00%	2.58%	1.55	60	15.00%	12.88%	7.73
61	3.00%	2.50%	1.52	61	15.00%	10.95%	6.68
62	15.00%	12.12%	7.51	62	25.00%	15.51%	9.62
63	15.00%	10.30%	6.49	63	15.00%	6.98%	4.40
64	15.00%	8.76%	5.60	64	15.00%	5.93%	3.80
65	35.00%	17.37%	11.29	65	35.00%	11.77%	7.65
66	20.00%	6.45%	4.26	66	20.00%	4.37%	2.88
67	20.00%	5.16%	3.46	67	20.00%	3.50%	2.34
68	20.00%	4.13%	2.81	68	20.00%	2.80%	1.90
69	20.00%	3.30%	2.28	69	20.00%	2.24%	1.54
70	100.00%	13.21%	9.25	70	100.00%	8.95%	6.27

64.07

62.86

Headcount

Less than 20 years of Service	1384
More than 20 years of Service	0
	1384

Weighted Average

(64.07*1384+62.86*0)/1384	64.07
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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 Communication Systems - West Retirement Plan II	B Three-digit plan number (PN) ►	011
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	53533849	
b Actuarial value	2b	53805289	
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	88	4136590
b For terminated vested participants	3b	185	3513190
c For active participants:			
(1) Non-vested benefits	3c(1)		2156309
(2) Vested benefits	3c(2)		38477120
(3) Total active	3c(3)	1384	40633429
d Total	3d	1657	48283209
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	7.26%
6 Target normal cost		6	5522686

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;"> Date 11-06955 </div>
AIDA DOMLIJA, FSA, MAAA Type or print name of actuary		Most recent enrollment number 212-251-5000
SIBSON CONSULTING Firm name		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)	3642160	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	3642160	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>2.98%</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)		3108
b	Interest on (a) using prior year's effective interest rate of <u>6.45%</u> except as otherwise provided (see instructions)		93
c	Total available at beginning of current plan year to add to prefunding balance		3201
d	Portion of (c) to be added to prefunding balance		0
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	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	111.43 %
15	Adjusted funding target attainment percentage	15	111.43 %
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	88.70 %
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
04/12/2012	2025000				
07/05/2012	2025000				
12/28/2012	109000				
07/01/2013	1978000				
Totals ▶			18(b)	6137000	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	5819222
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
0	0	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 64
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	5522686	
b Excess assets, if applicable, but not greater than line 31a	31b	5522080	
32 Amortization installments:			
a Net shortfall amortization installment.....	Outstanding Balance	Installment	
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	606	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	606	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	5819222	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	5818616	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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			