

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 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</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>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>022</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>02/25/2005</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>022</u>	1c Effective date of plan <u>02/25/2005</u>					
1b Three-digit plan number (PN) ▶	<u>022</u>								
1c Effective date of plan <u>02/25/2005</u>									
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>L-3 COMMUNICATIONS CORPORATION</u> <u>600 THIRD AVENUE</u> <u>NEW YORK, NY 10016-1901</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>13-3937436</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>212-697-1111</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>334200</u></td> </tr> <tr> <td colspan="2" style="height: 40px;"></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>									
<u>76 GETTY STREET</u> <u>MUSKEGON, MI 49442</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.	10/06/2014	KEVIN WEISS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	194
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	89
b Retired or separated participants receiving benefits		6b	66
c Other retired or separated participants entitled to future benefits		6c	33
d Subtotal. Add lines 6a , 6b , and 6c		6d	188
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	6
f Total. Add lines 6d and 6e		6f	194
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	2
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 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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS</u>	B Three-digit plan number (PN) ▶ <u>022</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>2013</u>	
2 Assets:	
a Market value	2a <u>29599361</u>
b Actuarial value	2b <u>28923528</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>63</u> (1) Number of participants <u>18012210</u> (2) Funding Target
b For terminated vested participants.....	3b <u>32</u> <u>949435</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>921572</u>
(2) Vested benefits	3c(2) <u>10696646</u>
(3) Total active.....	3c(3) <u>99</u> <u>11618218</u>
d Total.....	3d <u>194</u> <u>30579863</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>6.31</u> %
6 Target normal cost	6 <u>1232134</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>09/16/2014</u>
Signature of actuary		Date
<u>PATRICK GRIGSBY, EA, MAAA</u>		<u>14-07173</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) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>13.30</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)		1366880
b Interest on (a) using prior year's effective interest rate of <u>7.01</u> % except as otherwise provided (see instructions)		95818
c Total available at beginning of current plan year to add to prefunding balance		1462698
d Portion of (c) to be added to prefunding balance		1401651
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	1401651

Part III Funding Percentages		
14 Funding target attainment percentage	14	90.00 %
15 Adjusted funding target attainment percentage	15	90.00 %
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	95.02 %
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
01/15/2014	207000				
04/14/2014	757000				
07/14/2014	465000				
09/12/2014	465000				
			Totals ►	18(b)	1894000
				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	1736424
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: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 62
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	1232134
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		3057986	626148
b Waiver amortization installment			
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	1858282
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	1401651	1401651
36 Additional cash requirement (line 34 minus line 35).....		36	456631
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	1736424
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	1279793
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	1279793
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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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> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS</u>	B Three-digit plan number (PN) ►	<u>022</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	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)	1866000	1894000
	(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)	27778357	33432611
	(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	29644357	35326611

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	61790	61665
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	61790	61665

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	29582567	35264946
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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)	1894000	
(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)		1894000
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)		0
(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)		0
(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)		0
(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)		0

		(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)		5766143
(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		7660143

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1701830	
(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)		1701830
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)	275934	
(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)		275934
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1977764

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		5682379
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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>		<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan RETIREMENT PLAN FOR SALARIED EMPLOYEES OF L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS				B Three-digit plan number (PN) ▶	022
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 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	0
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): 13-7074646					
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	0
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) 2013 v. 130118	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

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

**Financial Statements as of
and for the Years Ended
December 31, 2013 and 2012**

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS
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 Retirement Plan for Salaried Employees of L-3 Communications Combat Propulsion Systems:

We have audited the accompanying financial statements of Retirement Plan for Salaried Employees of L-3 Communications Combat Propulsion Systems (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, 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, 2013 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, 2013 and changes therein for the year then ended and its financial status as of December 31, 2012, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

September 24, 2014

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2013 AND 2012
(Dollars in thousands)**

	<u>2013</u>	<u>2012</u>
Assets:		
Interest in Master Trust, at fair value	\$ 33,433	\$ 27,778
Employer contribution receivable	<u>1,894</u>	<u>1,866</u>
Total assets	<u>35,327</u>	<u>29,644</u>
Liabilities:		
Accrued expenses	<u>62</u>	<u>62</u>
Net assets available for benefits	<u>\$ 35,265</u>	<u>\$ 29,582</u>

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

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Dollars in thousands)**

	<u>2013</u>	<u>2012</u>
Additions:		
Interest in Master Trust investment income	\$ 5,766	\$ 3,352
Employer contributions	<u>1,894</u>	<u>3,183</u>
Total additions	<u>7,660</u>	<u>6,535</u>
Deductions:		
Benefit payments	1,701	1,435
Plan expenses	<u>276</u>	<u>289</u>
Total deductions	<u>1,977</u>	<u>1,724</u>
Net increase	5,683	4,811
Net assets available for benefits, beginning of year	<u>29,582</u>	<u>24,771</u>
Net assets available for benefits, end of year	<u>\$ 35,265</u>	<u>\$ 29,582</u>

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

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS
STATEMENTS OF ACCUMULATED PLAN BENEFITS AND
CHANGES IN ACCUMULATED PLAN BENEFITS
AS OF AND FOR THE YEAR ENDED JANUARY 1, 2013
(Dollars in thousands)**

Statement of Accumulated Plan Benefits:	January 1, 2013
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits.....	\$ 15,231
Other participants.....	9,132
Total vested benefits	24,363
Non-vested benefits	731
Total actuarial present value of accumulated plan benefits.....	<u>\$ 25,094</u>
Statement of Changes in Accumulated Plan Benefits:	Year Ended January 1, 2013
Actuarial present value of accumulated	
plan benefits as of January 1, 2012	\$ 23,121
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial experience	1,501
Increase for interest due to decrease in discount period.....	1,907
Benefits paid.....	(1,435)
Net increase	1,973
Actuarial present value of accumulated	
plan benefits as of January 1, 2013	<u>\$ 25,094</u>

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

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

1. Plan Description

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Accounting

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

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.

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS
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 ending 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 ending 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 may 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.

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

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 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.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Subsequent Events

The Plan continued to evaluate events after the Statement of Net Assets Available for Benefits date through September 24, 2014, the date the financial statements were available to be issued.

The Plan was amended effective January 1, 2014. The Plan amendment states, if a Plan participant is transferred to any business unit within the Company on or after January 1, 2014, any service and compensation earned by the participant of the Plan from the date of transfer until the date of the participant's termination of employment with the Company will be treated as though earned by the participant at the business unit of the Plan. The Plan amendment does not affect the benefits of a Plan participant who continues to be employed by the Company but becomes or ceases to be a represented employee covered by a collective bargaining agreement.

3. Contributions

Generally, the Company's funding policy is to contribute amounts in accordance with the Internal Revenue Code ("IRC") that are at least equal to the minimum funding requirements under ERISA. Contributions from the Company required in 2013 and 2012 under the minimum funding requirements of ERISA were \$457 and \$1,608, respectively. Minimum contributions are calculated using the Unit Credit Actuarial Cost Method, as prescribed by law. Under this method, the liability is measured on an accrued-to-date basis using mandated mortality tables and interest rates with no salary projection past the end of the year. Assuming all assumptions are met (including the investment earnings implicitly assumed by the interest rate), funding the minimum required contribution is generally designed to achieve the following: (1) if the plan is underfunded, funding at the minimum level would achieve 100% funding within seven years, and then contributions would equal the target normal cost, or (2) if the plan is overfunded, there will be no required contributions unless the target normal cost exceeds the overfunding.

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

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

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.

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

The Plan permits participants to retire at an early retirement date, which is the first day of any month specified by the participant following the attainment of age 55 and completion of 10 or more years of continuous service, and before reaching the age of 65 provided retirement has occurred. A participant who elects to retire on an early retirement date is entitled to a retirement benefit commencing on his or her normal retirement date in an amount equal to the accrued regular benefit determined at the early retirement date. If the participant attains the age of 62 at the date of commencement of benefits, the accrued benefit will be payable without reduction. If benefits commence prior to age 62, the accrued benefit determined at the early retirement date will be reduced by $2\frac{1}{2}\%$ of the normal retirement benefit for each year, with months counting as twelfths, between the first day of the month following the date of commencement of benefits and attainment of age 62. Retirees may elect to receive 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 generally receives benefits equal to 50% of the amount which would have been payable to the retiree under the applicable 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.

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

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, 2013 and 2012 were:

Mortality basis	RP-2000 combined (sex distinct) Tables with static projection 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	8.25%

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, 2013.

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

5. Master Trust Investments

The fair value of the assets and liabilities of the Master Trust at December 31, 2013 and 2012 is presented in the table below. The Plan's percentage interest in the Master Trust was 1.6% at December 31, 2013 and 2012.

	2013	2012
Equity securities.....	\$ 1,360,074	\$ 1,114,363
Fixed income securities.....	291,545	101,019
Mutual fund.....	192,642	196,806
Commingled trust funds.....	147,572	317,586
Short term investments	153,063	43,254
Forward contracts.....	(103)	(107)
Accrued income	5,430	3,741
Receivable for unsettled trades	4,178	1,128
Payable for unsettled trades	(21,258)	(1,836)
	<u>\$ 2,133,143</u>	<u>\$ 1,775,954</u>

The following presents the investment income of the Master Trust for the years ended December 31, 2013 and 2012.

	2013	2012
Net appreciation of investments.....	\$ 320,057	\$ 166,841
Interest.....	9,875	7,724
Dividends	35,802	33,021
Other	409	78
	<u>\$ 366,143</u>	<u>\$ 207,664</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, 2013 and 2012.

	2013	2012
Equity securities.....	\$ 305,758	\$ 129,649
Fixed income securities.....	1,583	10,371
Mutual fund.....	(9,053)	2,524
Commingled trust funds.....	21,431	24,256
Forward contracts.....	104	(360)
Other	234	401
	<u>\$ 320,057</u>	<u>\$ 166,841</u>

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

The Plan, through the Master Trust, may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S dollar denominated investment securities. When entering into a foreign currency forward contract, the Plan agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Plan's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchanges rates at the dates of entry in the contracts and the forward rates at the reporting date is included in Plan's statement of net assets available for benefits. Realized and unrealized gains and losses are included in the Plan's statement of changes in net assets available for benefits. These instruments involve market and/or credit risks. The Plan, through the Master Trust, manages exposure to credit risk by entering into foreign currency forward contracts only with major institutions that are expected to fully perform under the terms of such contracts.

At December 31, 2013 and 2012, the Plan had the following foreign currency forward exchange contracts.

	2013			2012		
	Asset	Liability	U.S. Dollar Notional	Asset	Liability	U.S. Dollar Notional
Foreign currency contracts	\$ —	\$ 103	\$ 4,020	\$ —	\$ 107	\$ 6,907

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF
L-3 COMMUNICATIONS COMBAT PROPULSION SYSTEMS
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 trustee. 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, 2013 and 2012, 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 have been no changes in the methodologies used at December 31, 2013 and 2012. There were no transfers during the year between Levels 1, 2 or 3.

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

Asset Category	Fair Value Measured at December 31, 2013				Fair Value Measured at December 31, 2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity securities ⁽¹⁾ :								
U.S. Equity.....	\$ 1,157,544	\$ —	\$ —	\$ 1,157,544	\$ 905,144	\$ —	\$ —	\$ 905,144
International Equity	79,779	147,572	—	227,351	67,605	118,590	—	186,195
Fixed Income —								
Investment Grade ⁽²⁾	219,901	136,938	—	356,839	196,806	199,003	—	395,809
Fixed Income —								
High Yield ⁽³⁾	—	119,330	—	119,330	—	106,785	—	106,785
Real Estate Investment								
Trusts ⁽⁴⁾	119,721	—	—	119,721	139,767	—	—	139,767
Other ⁽⁵⁾	—	152,358	—	152,358	—	42,254	—	42,254
Total	<u>\$ 1,576,945</u>	<u>\$ 556,198</u>	<u>\$ —</u>	<u>\$ 2,133,143</u>	<u>\$ 1,309,322</u>	<u>\$ 466,632</u>	<u>\$ —</u>	<u>\$ 1,775,954</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 fund's 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 62% in 2013 and 50% in 2012 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, as the mutual fund trades on an active market and daily, quoted prices are available. The remaining 38% of plan assets in 2013 are primarily investment grade corporate bonds from various industries held directly by the Company. 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. The remaining 50% of plan assets in 2012 are invested in regulated commingled equity trust funds (the "Bond Funds"). As these Bond Funds do not trade in an active market, the fair value is based on NAVs calculated by fund managers based on yields currently available on comparable bonds of issuers with similar credit ratings, quoted prices of similar bonds in an active market, or cash flows based on observable inputs and classified as Level 2. 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 July 28, 2008, that the Plan is designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable regulations of the IRC; therefore, no provision for income taxes has been included in the Plan's financial statements.

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, 2013, 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

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

jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to the year ended December 31, 2010.

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

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

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.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration 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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► **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 Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems	B Three-digit plan number (PN) ►	<u>022</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF L-3 Communications Corporation	D Employer Identification Number (EIN) 13-3937436	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a		29599361
b Actuarial value	2b		28923528
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	63	18012210
b For terminated vested participants.....	3b	32	949435
c For active participants:			
(1) Non-vested benefits	3c(1)		921572
(2) Vested benefits	3c(2)		10696646
(3) Total active.....	3c(3)	99	11618218
d Total.....	3d	194	30579863
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	6.31%	
6 Target normal cost	6	1232134	

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	Patrick Grigsby <i>PG</i> Signature of actuary PATRICK GRIGSBY, EA, MAAA Type or print name of actuary SIBSON CONSULTING Firm name 333 W 34TH STREET NEW YORK NY 10001-2402 Address of the firm	09/16/2014 Date 1407173 Most recent enrollment number 212-251-5000 Telephone number (including area code)
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Liquidity shortfall as of end of quarter of this plan year

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

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76%	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
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	1232134										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <tr> <td></td> <td>Outstanding Balance</td> <td>Installment</td> </tr> <tr> <td>a Net shortfall amortization installment.....</td> <td>3057986</td> <td>626148</td> </tr> <tr> <td>b Waiver amortization installment</td> <td></td> <td></td> </tr> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	3057986	626148	b Waiver amortization installment		
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....	3057986	626148										
b Waiver amortization installment												
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	1858282										
	Carryover balance	Prefunding balance	Total balance									
35 Balances elected for use to offset funding requirement.....	0	1401651	1401651									
36 Additional cash requirement (line 34 minus line 35).....	36	456631										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	1736424										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	1279793										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	1279793										
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		

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Line 26 – Schedule of Active Participant Data
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Participants in Active Service by Age and Years of Benefit Service as of January 1, 2013

[illegible]

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Actuarial Assumptions and Methodologies (Funding)

Interest:	<p>The interest rates used for the 2013 plan year are the 24-month average corporate bond segment rates for September 2012 (a 4-month lookback) subject to 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 of corporate bond rates. For 2013, the stabilization corridor is 15% and will increase 5% per year until it hits 30% for 2016. The rates are as follows:</p> <table><tr><th></th><th>Payments in the First 5 Years</th><th>Payments in Years 6 – 20</th><th>Payments Thereafter</th><th>Effective Interest Rate</th></tr><tr><td>Current Year, reflecting stabilization</td><td>4.94%</td><td>6.15%</td><td>6.76%</td><td>6.31%</td></tr><tr><td>Current Year, without stabilization</td><td>1.75%</td><td>4.62%</td><td>5.72%</td><td>4.92%</td></tr><tr><td>Prior Year, reflecting stabilization</td><td>5.54%</td><td>6.85%</td><td>7.52%</td><td>7.01%</td></tr><tr><td>Prior Year, without stabilization</td><td>2.06%</td><td>5.25%</td><td>6.32%</td><td>5.51%</td></tr></table> <p>The segment rates used to determine the PBGC variable rate premium are the same as those used for funding, without reflecting funding stabilization.</p>		Payments in the First 5 Years	Payments in Years 6 – 20	Payments Thereafter	Effective Interest Rate	Current Year, reflecting stabilization	4.94%	6.15%	6.76%	6.31%	Current Year, without stabilization	1.75%	4.62%	5.72%	4.92%	Prior Year, reflecting stabilization	5.54%	6.85%	7.52%	7.01%	Prior Year, without stabilization	2.06%	5.25%	6.32%	5.51%
	Payments in the First 5 Years	Payments in Years 6 – 20	Payments Thereafter	Effective Interest Rate																						
Current Year, reflecting stabilization	4.94%	6.15%	6.76%	6.31%																						
Current Year, without stabilization	1.75%	4.62%	5.72%	4.92%																						
Prior Year, reflecting stabilization	5.54%	6.85%	7.52%	7.01%																						
Prior Year, without stabilization	2.06%	5.25%	6.32%	5.51%																						
Mortality rates:	<p>RP2000 combined annuitant and non-annuitant healthy mortality tables (sex-specific) with static projection using Scale AA 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 non-annuitants. This assumption is one of the choices allowed by the regulations.</p>																									
Salary Increases:	<p>3.50% (previously, 4.00%)</p>																									

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Actuarial Assumptions and Methodologies (Funding) *continued*

Sample termination rates:	Age	Termination Rate	Age	Termination Rate	Age	Termination Rate
	25	7.1%	35	4.1%	45	1.9%
	26	6.8	36	3.8	46	1.7
	27	6.5	37	3.5	47	1.5
	28	6.2	38	3.3	48	1.3
	29	5.9	39	3.1	49	1.1
	30	5.6	40	2.9	50	0.9
	31	5.3	41	2.7	51	0.7
	32	5.0	42	2.5	52	0.5
	33	4.7	43	2.3	53	0.3
	34	4.4	44	2.1	54	0.1
					55 and over	0.0

Retirement (from active status) rates:	Age	Rates
	55	9%
	56	6
	57-59	7
	60	8
	61	11
	62	25
	63	20
	64	25
	65	35
	66-69	20
	70	100

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Actuarial Assumptions and Methodologies (Funding) *continued*

Description of Weighted Average Retirement Age:	Age 62, determined as follows:			
	Age	Rates	Probability of Retiring	Age x Probability
	55	9.00%	9.00%	4.95
	56	6.00	5.46	3.06
	57	7.00	5.99	3.41
	58	7.00	5.57	3.23
	59	7.00	5.18	3.06
	60	8.00	5.50	3.30
	61	11.00	6.96	4.25
	62	25.00	14.08	8.73
	63	20.00	8.45	5.32
	64	25.00	8.45	5.41
	65	35.00	8.87	5.77
	66	20.00	3.30	2.18
	67	20.00	2.64	1.77
	68	20.00	2.11	1.43
	69	20.00	1.69	1.16
	70	100.00	6.75	<u>4.72</u>
	Weighted Average =			61.75
Retirement from inactive status:	Age 65, or immediately if over 65			
Percent married:	70% of male plan members and 55% of female plan members.			
Age difference:	Husbands are three years older than their wives.			
Form of payment:	Life annuity for unmarried participants. 50% joint and survivor for married participants.			
Social Security Benefits:	It is assumed that the Social Security taxable wage base will increase at the average rate of 3.00% (previously 3.50%) per annum compound.			

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Actuarial Assumptions and Methodologies (Funding) *continued*

Administrative expenses:	An expense assumption is required under the funding rules. Plan-related expenses of \$225,000 are expected to be paid by the plan during the year.		
Asset method:	As selected by the plan sponsor, assets are determined by averaging the market value as of the valuation date and the adjusted market values as of the preceding two years. The resulting value is limited to between 90% to 110% of market value of assets. The adjusted market values reflect cash flow and expected earnings to the valuation date. The expected earnings are based on an assumed rate of return of 7.50%, not to exceed the applicable third segment rate of 6.57% in 2011 and 7.52% in 2012.		
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	3.50%	4.00%
	Taxable wage base increase	3.00%	3.50%
The assumptions above have been revised based on current economic conditions and payroll outlook information provided by L-3 Communications Corporation. The assumption change did not result in a decrease in the ERISA funding shortfall for the current plan that would require IRS approval.			

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, line 24 - Change in Actuarial Assumptions
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Change in Actuarial Assumptions

Assumption changes since prior valuation:	<u>Assumption Type</u>	<u>Current Assumption</u>	<u>Prior Assumption</u>
	Salary Scale	3.50%	4.00%
	Taxable wage base increase	3.00%	3.50%
	The assumptions above have been revised based on current economic conditions and payroll outlook information provided by L-3 Communications Corporation. The assumption change did not result in a decrease in the ERISA funding shortfall for the current plan that would require IRS approval.		

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Summary of Plan Provisions

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

PLAN STATUS: CLOSED TO NEW HIRES EFFECTIVE 1/1/2007	
Effective Date: February 25, 2005	
Normal retirement:	
Age requirement:	65
Service requirement:	None
Amount:	<p>A monthly pension is the sum of (i) to (iv), but not less than the Minimum Benefit:</p> <ul style="list-style-type: none"> (i) Service Prior to 1/1/1964: \$18.00 per year of Credited Service. (ii) Service 1/1/1964 to 12/31/1980: 1-1/4% of final average pay per year of Credited Service. (iii) Service 1/1/1981 to 3/31/1997: 1% of final average pay up to Covered Compensation, plus 1.65% of the excess per year of Credited Service. (iv) Service After 3/31/1997: 1-1/3% of final average pay per year of plan membership service. Plan membership service after March 31, 1997 is limited to 40 years. <p>Final average pay equals the average of the highest consecutive 60 monthly salary rate received during last 120 months of plan membership.</p> <p>Covered Compensation equals the average of the Social Security taxable wage bases in effect for each calendar year during the 35 year period ending in the year of termination.</p>
Minimum Benefit:	
Amount:	<ul style="list-style-type: none"> (i) Service Prior to 1/1/1964: \$18.00 per year of Credited Service. (ii) Service 1/1/1964 to 3/31/1997: \$20.00 per year of Credited Service. (iii) Service after 3/31/1997: \$26.00 per year of plan membership service including that additional period during which the member would have accrued benefits but for the age and/or service requirements for eligibility to enter the Plan.

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Summary of Plan Provisions *continued*

Pension Enhancement:	
Amount:	<p>Members employed prior to January 1, 1999 and retiring from active service will be entitled to a pension enhancement benefit of \$94 per month, prorated for less than ten years of continuous service measured from April 1, 1997 to retirement, commencing at age 65. An additional benefit, in the same amount, will be payable when an eligible spouse attains age 65.</p> <p>If a member was employed prior to January 1, 1999 and terminates with a deferred vested benefit, the pension enhancement benefit will be multiplied by the ratio of the member's years of service measured from April 1, 1997 to termination to the years of service measured from April 1, 1997 he would have had at age 65.</p>
Early retirement:	
Age requirement:	55
Service requirement:	<p>5 years of continuous benefit service if service accrued prior to April 1, 1997</p> <p>10 years of continuous benefit service if service accrued after March 31, 1997</p>
Amount:	<p>The benefit accrued to date of early retirement based on service accrued prior to April 1, 1997, reduced by 3% for each year between age 65 and the date of commencement of benefits.</p> <p>The benefit accrued to date of early retirement based on service accrued after March 31, 1997, either (i) with no reduction, if benefits commence at or after age 62, or (ii) reduced by 2-1/2% for each year between age 62 and the date of commencement of benefits, if benefits commence prior to age 62.</p>
Vesting	
Age requirement:	None
Service requirement:	5 years of service
Amount:	The benefit may commence prior to age 65 with a reduction of 3% for each year prior to age 65 applicable to the benefit based on service accrued prior to April 1, 1997 and on an actuarial equivalent basis applicable to the benefit based on service accrued after March 31, 1997.
Participation:	
Amount:	Salaried employees of L-3 Combat Propulsions who have completed one year of service. Salaried employees covered by a collective bargaining agreement may only be covered if specifically provided in such agreement. A transferred employee who was an active participant in the prior plan (General Dynamics Corporation Salaried Retirement Plan) on February 24, 2005 should automatically become an active participant.

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Summary of Plan Provisions *continued*

Pre-retirement death benefits:	
Amount:	If a member dies while eligible for early retirement or while eligible for a vested benefits and leaves a surviving spouse to whom he/she has been married for at least one year, the surviving spouse will be entitled to the benefit that would have been payable had the member terminated employment on the date of death with payment of benefits to commence on the earliest date permitted thereafter and elected the 50% contingent annuitant option.
Post-retirement death benefits:	
Amount:	Depends on the form of pension elected; in any event, the excess, if any, of the death benefit payable just prior to retirement over actual pension payments is paid to the beneficiary.
Forms of Benefit:	
Normal Form:	Life annuity
Optional Forms:	(a) 50% Contingent Annuitant Option (b) 75% Contingent Annuitant Option (c) 100% Contingent Annuitant Option (d) Level Income Option at Age 62 (e) Ten Years Certain and Life Option (f) Lump Sum Option (maximum \$20,000) The automatic payment option for Married Members or Married Vested Members is the 50% Contingent Annuitant Option with the spouse designated as Contingent Annuitant.
Lump sum benefit:	Benefits with present value less than or equal to \$1,000 are automatically cashed out. If the present value of the benefit is over \$1,000 but less than or equal to \$5,000, a lump sum is offered to the participant. If the present value of the benefit is over \$5,000 but less than or equal to \$20,000, the participant can elect the lump sum, an immediate annuity, or a deferred annuity.
Actuarial Equivalence:	Optional forms (other than the lump sum) are of actuarial equivalent value computed based upon 1984 unisex pension mortality table (UP 1984 table, set back as per the plan document) with seven percent (7%) per annual compound interest.
Statutory Limits:	
Section 415 limit:	\$205,000 (previously \$200,000)
Section 401(a)(17) limit:	\$255,000 (previously, \$250,000)

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Summary of Plan Provisions *continued*

Most Recent Plan Amendments

Plan Amendment	Effective Date	Reflected in 2013 Actuarial Valuation
1. a) Employees hired on or after January 1, 2007 are not eligible to participate in the plan.	January 1, 2007	Yes
b) The Plan has been amended in its entirety as described in Amendment No. 1.	January 1, 2007	Yes
1. c) The Plan has been amended to eliminate the following optional forms of benefit:	January 1, 2007	Yes
<ul style="list-style-type: none"> • Five Year Certain and Continuous Annuity • 66-2/3% Joint and Survivor Annuity • 50% Joint and Last Survivor Annuity • All Joint and Survivor Annuities with pop-up • The Social Security Level Income Annuity at age 65 		
2. The Plan has been amended to comply with tax law changes and to make certain other changes as described in Amendment No. 2.	January 1, 2008	Yes
3. The plan has been amended as follows:		
a) Survivors of participants who die during military service are entitled to additional vesting and survivor benefits contingent on termination of employment that would have been provided under the Plan had the participant resumed employment and then terminated on account of death.	January 1, 2007	N/A
b) Layoffs have been redefined to mean temporary layoffs with recall rights.	January 1, 2010	N/A
4. The plan has been amended to:		
a) Include Code Section 132(f)(4) elective payroll deduction contributions in the definition of compensation.	January 1, 2007	Yes
b) Include amounts received from the Employer for the period of short-term disability and/or period of "quarterly military service" in the definition of compensation (signed June 16, 2011).	January 1, 2007	Yes
5. The plan has been amended to satisfy benefit limitations required under §436 of the Internal Revenue Code.	January 1, 2012	Yes

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Line 22 – Description of Weighted Average Retirement Age
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
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Age	Rate	Probability of Retiring	Age x Probability
55	9.00%	9.00%	4.95
56	6.00%	5.46%	3.06
57	7.00%	5.99%	3.41
58	7.00%	5.57%	3.23
59	7.00%	5.18%	3.06
60	8.00%	5.50%	3.30
61	11.00%	6.96%	4.25
62	25.00%	14.08%	8.73
63	20.00%	8.45%	5.32
64	25.00%	8.45%	5.41
65	35.00%	8.87%	5.77
66	20.00%	3.30%	2.18
67	20.00%	2.64%	1.77
68	20.00%	2.11%	1.43
69	20.00%	1.69%	1.16
70	100.00%	6.75%	4.72
Weighted Average =			61.75

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Line 32 – Schedule of Amortization Bases
Retirement Plan for Salaried Employees of L-3 Combat Propulsion Systems
EIN 13-3937436 PN 022

Schedule of Shortfall Amortization Bases as of January 1, 2013

Year Established	Original Base	Present Value of Remaining Installments	Years Remaining	Shortfall Amortization Installment
2013	\$1,975,497	\$1,975,497	7	\$329,695
2012	(2,117,276)	(1,902,022)	6	(359,354)
2011	3,985,956	2,984,511	5	655,807
Total		\$3,057,986		\$626,148