Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
MARINE & POWER SYSTEMS RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 012

1c Effective date of plan 05/01/1987

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

L-3 COMMUNICATIONS CORPORATION

600 THIRD AVENUE
NEW YORK, NY 10016-1901

13500 ROOSEVELT BLVD
PHILADELPHIA, PA 19116-4299

2b Employer Identification Number (EIN)
13-3937436

2c Sponsor's telephone number
212-697-1111

2d Business code (see instructions)
336990

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 [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	1299
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**	351
b	Retired or separated participants receiving benefits	**6b**	792
c	Other retired or separated participants entitled to future benefits	**6c**	381
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1524
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	244
f	Total. Add lines **6d** and **6e**.	**6f**	1768
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**	9
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)** [X] 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)** [X] 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)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [X] **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

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
MARINE & POWER SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 012

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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2013

2 Assets:

a Market value	**2a**	103277733
b Actuarial value	**2b**	100949883

3 Funding target/participant count breakdown:

		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	**3a**	1034	66826001
b For terminated vested participants	**3b**	406	11759284
c For active participants:			
(1) Non-vested benefits	**3c(1)**		310969
(2) Vested benefits	**3c(2)**		21259273
(3) Total active	**3c(3)**	363	21570242
d Total	**3d**	1803	100155527

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**	6.25 %
6 Target normal cost	**6**	2266388

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

Signature of actuary	06/30/2014 Date
PATRICK GRIGSBY, EA, MAAA Type or print name of actuary	14-07173 Most recent enrollment number
SIBSON CONSULTING Firm name	212-251-5000 Telephone number (including area code)
333 W 34TH STREET NEW YORK, NY 10001-2402 Address of the firm	

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

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 13.08 %	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)		6359609
	b Interest on (a) using prior year's effective interest rate of 6.94 % except as otherwise provided (see instructions)		441357
	c Total available at beginning of current plan year to add to prefunding balance		6800966
	d Portion of (c) to be added to prefunding balance		6800966
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	6800966

Part III Funding Percentages

14	Funding target attainment percentage	14	94.00 %
15	Adjusted funding target attainment percentage	15	100.79 %
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	96.15 %
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
			Totals ► 18(b)	0	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	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
4.94%	6.15%	6.76 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	63

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**	2266388
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	6006610	1537950
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**	3804338

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	3804338	3804338

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
MARINE & POWER SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 012

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS CORPORATION

D Employer Identification Number (EIN)
13-3937436

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: L-3 COMM. CORPORATION MASTER TRUST

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

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3937436-020	M	115195067

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
MARINE & POWER SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 012

C Plan sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS CORPORATION

D Employer Identification Number (EIN)
13-3937436

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	6652344	0
(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)	96801786	115195067
(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)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	103454130	115195067
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	170319	148906
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	170319	148906
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	103283811	115046161

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)	0	
(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)		0
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)		19851638
(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		19851638
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7276970	
(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)		7276970
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)	812318	
(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)		812318
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		8089288
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		11762350
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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) [X] 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 [X] 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:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
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.)	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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	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?	4f		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?	4g		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?	4h		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.)	4i		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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n			

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
MARINE & POWER SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 012

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** 1

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: 47.0% Investment-Grade Debt: 15.0% High-Yield Debt: 0.0% Real Estate: 5.0% Other: 33.0%

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):

MARINE AND POWER SYSTEMS RETIREMENT PLAN

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

MARINE AND POWER SYSTEMS RETIREMENT PLAN
INDEX TO FINANCIAL STATEMENTS

	Page(s)
Independent Auditor's Report	2
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2013 and 2012	3
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2013 and 2012	4
Statements of Accumulated Plan Benefits and Changes in Accumulated Plan Benefits as of and for the Year Ended January 1, 2013	5
Notes to Financial Statements	6-15

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.

pwc

Independent Auditor's Report

To the Participants and Administrator of the Marine and Power Systems Retirement Plan:

We have audited the accompanying financial statements of Marine and Power Systems Retirement Plan (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

PricewaterhouseCoopers LLP, PricewaterhouseCoopers Center, 300 Madison Avenue, New York, NY 10017
T: (646) 471 3000, F: (813) 286 6000, www.pwc.com/us

MARINE AND POWER SYSTEMS RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2013 AND 2012
(Dollars in thousands)

	2013	2012
Assets:		
Interest in Master Trust, at fair value	$ 115,195	$ 96,802
Employer contribution receivable	—	6,652
Total assets	115,195	103,454
Liabilities:		
Accrued expenses	149	170
Net assets available for benefits	$ 115,046	$ 103,284

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

MARINE AND POWER SYSTEMS RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Dollars in thousands)

	2013	2012
Additions:		
Interest in Master Trust investment income	$ 19,852	$ 11,953
Employer contributions	—	10,293
Total additions	19,852	22,246
Deductions:		
Benefit payments	7,277	7,453
Plan expenses	813	922
Total deductions	8,090	8,375
Net increase prior to plan merger	11,762	13,871
Transfer in due to plan merger	—	21,400
Net increase	11,762	35,271
Net assets available for benefits, beginning of year	103,284	68,013
Net assets available for benefits, end of year	$ 115,046	$ 103,284

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

MARINE AND POWER SYSTEMS RETIREMENT PLAN
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	$ 57,880
Other participants	25,762
Total vested benefits	83,642
Non-vested benefits	236
Total actuarial present value of accumulated plan benefits	$ 83,878

Statement of Changes in Accumulated Plan Benefits:	**Year Ended January 1, 2013**
Actuarial present value of accumulated plan benefits as of January 1, 2012	$ 67,520
Increase (decrease) during the year attributable to:	
Benefits transferred due to plan merger [(1)]	16,067
Benefits accumulated and actuarial experience	848
Increase for interest due to decrease in discount period	6,896
Benefits paid	(7,453)
Net increase	16,358
Actuarial present value of accumulated plan benefits as of January 1, 2013	$ 83,878

(1) The above information reflects the effect of the merger of the Retirement Plan for Employees of Power Paragon, Inc. ("Power Paragon Plan") with and into the plan effective January 3, 2012 (See Note 1).

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

1. Plan Description

The following brief description of the Marine and Systems Retirement Plan (formerly the SPD Technologies Retirement Plan) (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan is a non-contributory defined benefit plan which covers substantially all employees of Power Paragon, Inc., a subsidiary of L-3 Communications Corporation (the "Company"), a wholly owned subsidiary of L-3 Communications Holdings, Inc. and of SPD Technologies, a division of the Company. The Plan also covers employees of the following subsidiaries of the Company: SPD Electrical Systems, Inc., SPD Switchgear, Inc., Henschel, Inc., and PacOrd, Inc. Effective October 15, 1992, any employee of PacOrd, Inc., who is hired on or after such date, is not eligible to participate in the Plan. Effective January 1, 2008, any employee of Power Paragon, Inc., who is hired on or after such date, is not eligible to participate in the Plan. Effective September 1, 1995, any employee of Henschel, Inc. who is hired on or after such date, is not eligible to participate in the Plan. Effective January 1, 1995, any salaried employee of SPD Electrical Systems, Inc., or SPD Switchgear, Inc. who is hired on or after such date, is not eligible to participate in the Plan. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Effective June 30, 2008, benefit accruals under the Plan have been frozen for UAW Local 1612 represented employees of SPD Electrical Systems, Inc. and SPD Switchgear, Inc.

The Retirement Plan Administrative Committee approved a merger of the Retirement Plan for Employees of Power Paragon, Inc. ("Power Paragon Plan") with and into the Plan. The assets and accumulated benefit obligations of the Power Paragon Plan were transferred into the Plan on January 3, 2012.

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.

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.

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.

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. There was no funding required from the Company to the Plan in 2013 under the minimum funding requirements of ERISA. The contributions required from the Company in 2012 to the Plan under the minimum funding requirements of ERISA were $3,218, which included $840 related to contributions required for Power Paragon, Inc., under the minimum funding requirements of ERISA. 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 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.

Former Retirement Plan for Employees of Power Paragon, Inc.

Participants are entitled to receive monthly pension benefits beginning at the normal retirement age of 65 equal to the sum of 0.65% of their Average Monthly Compensation plus an additional 1.30% of their Average Monthly Compensation in excess of their covered compensation multiplied by the number of years of service up to 35 years. Average Monthly Compensation is calculated by dividing total compensation (as defined) during the highest five consecutive calendar years out of the last ten consecutive calendar years by 60. Benefits vest 100% after five years of service and are payable at age 65.

The Plan permits early retirement at ages 55 to 64 for participants with at least 10 years of service. The early retirement benefit will be determined by reducing the normal retirement benefit by the predetermined early retirement factors. The early retirement factors used are based on the benefit commencement date. Participants who do not complete 5 years of service forfeit the right to receive their accumulated benefits. Participants may choose to receive the value of their accumulated plan benefits as a joint and survivor annuity or a life income annuity with 120 months certain. Under the joint and survivor annuity, if a vested participant dies prior to the date pension benefits commence, the surviving spouse of the deceased vested participant receives benefits equal to 50% of the amount which would have been payable to the retiree under a joint and survivor annuity. Under the life income annuity with 120 months certain, there are no continuing payments after the death of the retiree after 120 months.

Former SPD Technologies Retirement Plan

The Plan provides an annual benefit for each year of service, which ranges from 1% to 2% of compensation based on length of service, compensation levels and division of SPD. Benefits vest 100% after five years of service and are payable at age 65.

The Plan permits early retirement for participants at age 55 with at least 10 years of service. The benefit may begin at the date of early retirement, reduced by up to 6% for each year prior to age 65 depending on length of service and division of SPD. Retirees may elect to receive their pension benefits in the form of a joint and survivor annuity or a life annuity payable monthly from the date of retirement. Under the joint and survivor annuity, if a vested participant dies prior to the date pension benefits commence, the surviving spouse of the deceased vested participant receives benefits equal to 50% of the amount which would have been payable to the retiree under a joint and survivor annuity. Under the life annuity, there are no continuing payments after the death of the retiree. If participants are terminated before completing five years of service, they forfeit the right to receive their accumulated benefits.

The actuarial present value of the accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2013 and 2012 were:

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

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 5.4% at December 31, 2013 and 5.5% at December 31, 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)
	$ 2,133,143	$ 1,775,954

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
	$ 366,143	$ 207,664

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
	$ 320,057	$ 166,841

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

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.

Asset Category	Fair Value Measured at December 31, 2013 Level 1	Level 2	Level 3	Total	Fair Value Measured at December 31, 2012 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	$ 1,576,945	$ 556,198	$ —	$ 2,133,143	$ 1,309,322	$ 466,632	$ —	$1,775,954

(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 October 29, 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 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 collective bargaining and the provisions set forth in ERISA.

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

a. Benefits attributable to employee contributions, taking into account those paid out before termination.

b. Benefits attributable to participants who have retired at least three years before the termination date of the Plan or those participants who were eligible to retire and receive pension benefits at least three years before, but who did not elect to retire at that time.

c. Benefits commencing at retirement age to participants who are eligible to receive guaranteed benefits under ERISA.

d. All vested and non-vested benefits.

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

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

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
The Marine and Power Systems Retirement Plan

B Three-digit plan number (PN) ▶ 012

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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2013

2	Assets:			
	a Market value		**2a**	103277733
	b Actuarial value		**2b**	100949883
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	1034	66826001
	b For terminated vested participants	**3b**	406	11759284
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		310969
	(2) Vested benefits	**3c(2)**		21259273
	(3) Total active	**3c(3)**	363	21570242
	d Total	**3d**	1803	100155527
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**	6.25%
6	Target normal cost		**6**	2266388

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 PG — 06/30/2014

Signature of actuary — Date

PATRICK GRIGSBY, EA, MAAA — 1407173

Type or print name of actuary — Most recent enrollment number

SIBSON CONSULTING — 212-251-5000

Firm name — Telephone number (including area code)

333 W 34TH STREET
NEW YORK NY 10001-2402

Address of the firm

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

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	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 13.08%	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)		6359609
	b Interest on (a) using prior year's effective interest rate of 6.94% except as otherwise provided (see instructions)		441357
	c Total available at beginning of current plan year to add to prefunding balance		6800966
	d Portion of (c) to be added to prefunding balance		6800966
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	6800966

Part III Funding Percentages

14	Funding target attainment percentage	14	94.00 %
15	Adjusted funding target attainment percentage	15	100.79 %
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	96.15 %
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
			Totals ► 18(b)	0	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	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

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

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.94%	6.15%	6.76%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	63

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**	2266388
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	6006610	1537950
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**	3804338

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	3804338	3804338

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Line 26 – Schedule of Active Participant Data
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

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

	Years of Service**									
Age	Less than 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over
Under 25	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
25-29	--	--	2	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
30-34	--	--	2	1	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
35-39	--	--	1	2	1	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
40-44	--	--	3	13	6	1	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
45-49	--	--	2	8	21	--	1	--	--	--
	--	--	--	--	--	--	--	--	--	--
50-54	--	--	6	19	40	5	4	--	--	--
	--	--	--	--	--	--	--	--	--	--
55-59	--	--	8	16	31	4	1	1	--	--
	--	--	--	--	--	--	--	--	--	--
60-64	--	--	6	12	27	4	1	1	2	2
	--	--	--	--	--	--	--	--	--	--
65-69	--	--	1	3	12	--	1	--	--	--
	--	--	--	--	--	--	--	--	--	--
70 & Over	--	--	--	2	2	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--
Total	--	--	31	76	140	14	8	2	2	2
	--	--	--	--	--	--	--	--	--	--

* Excludes those no longer accruing benefits under the Plan
** For those in the Retirement Plan for Employees of Power Paragon, service prior to December 1, 1994 is not included in credited service (other than for MagneTek employees who had prior service under a prior plan).

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding)

Interest:

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:

	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%	6.25%
Current Year, without stabilization	1.75%	4.62%	5.72%	4.81%
Prior Year, reflecting stabilization	5.54%	6.85%	7.52%	6.94%
Prior Year, without stabilization	2.06%	5.25%	6.32%	5.37%

The segment rates used to determine the PBGC variable rate premium are the same as those used for funding, without reflecting funding stabilization.

Mortality rates:

RP2000 separate 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.

Salary Increases:

3.50% (previously, 4.00%)

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

Sample termination rates:

SPD Technologies:

Sarason T-6 Table	
Age	**Rate**
20	7.95%
25	7.75
30	7.44
35	6.90
40	6.18
45	5.30
50	3.87
55	1.67
60	0.23

Power Paragon:

Age	Rate
20	15%
25	13
30	11
35	9
40	7
45	6
50	5
55	0

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

<table>
<tr><th colspan="2">Sample disability rates:</th></tr>
<tr><td>SPD Technologies:</td><td>
<table>
<tr><th>Age</th><th>Rate</th></tr>
<tr><td>20</td><td>0.03%</td></tr>
<tr><td>25</td><td>0.03</td></tr>
<tr><td>30</td><td>0.03</td></tr>
<tr><td>35</td><td>0.03</td></tr>
<tr><td>40</td><td>0.05</td></tr>
<tr><td>45</td><td>0.09</td></tr>
<tr><td>50</td><td>0.20</td></tr>
<tr><td>55</td><td>0.43</td></tr>
<tr><td>60</td><td>0.87</td></tr>
</table>
</td></tr>
<tr><td>Power Paragon:</td><td>None</td></tr>
</table>

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

<table>
<tr><th colspan="2">Retirement (from active status) rates:</th></tr>
<tr><td>SPD Technologies:</td><td>
<table>
<tr><th>Age</th><th>Rate</th></tr>
<tr><td>55</td><td>13%</td></tr>
<tr><td>56 - 59</td><td>8</td></tr>
<tr><td>60 - 61</td><td>18</td></tr>
<tr><td>62 - 65</td><td>35</td></tr>
<tr><td>66 - 69</td><td>20</td></tr>
<tr><td>70</td><td>100</td></tr>
</table>
</td></tr>
<tr><td>Power Paragon:</td><td>
<table>
<tr><th>Age</th><th>Rate</th></tr>
<tr><td>55 - 59</td><td>2%</td></tr>
<tr><td>60 - 61</td><td>5</td></tr>
<tr><td>62 - 64</td><td>10</td></tr>
<tr><td>65</td><td>35</td></tr>
<tr><td>66 - 69</td><td>20</td></tr>
<tr><td>70</td><td>100</td></tr>
</table>
</td></tr>
<tr><td>Description of Weighted Average Retirement Age:</td><td>Age 63, determined as follows: The weighted-average retirement age is calculated as the sum of the product of each potential past or future retirement age times the probability of surviving to that age and then retiring at that age, assuming no other decrements.</td></tr>
<tr><td>Retirement from inactive status:</td><td>Age 65</td></tr>
</table>

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

Percent married:	70% for males, 55% for females		
Age difference:	For inactive participants for whom a spouse's date of birth was not provided, and for active participants, it was assumed that husbands are three years older than their wives.		
Assumed form of payment:	SPD Technologies: For unmarried participants – Straight Life Annuity For married participants – Qualified 50% Joint and Survivor Annuity		
	Power Paragon: For unmarried participants – Life Annuity with 120 months certain For married participants – Qualified 50% Joint and Survivor Annuity		
Social Security benefits:	Increase in Social Security Taxable Wage Base of 3.00% per annum (previously, 3.50%) Increase in Consumer Price Index of 2.5% per annum		
Administrative expenses:	An expense assumption is required under the funding rules. Plan-related expenses of $875,000 ($625,000 for SPD Technologies and $250,000 for Power Paragon) 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%
	Social Security benefits	Wage Base Incr. = 3.00%	Wage Base Incr. = 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
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Change in Actuarial Assumptions

Assumption changes since prior valuation:	Assumption Type	Current Assumption	Prior Assumption
	Salary Scale	3.50%	4.00%
	Social Security benefits	Wage Base Incr. = 3.00%	Wage Base Incr. = 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
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies*

This subsection summarizes the major provisions of the Marine and Power Systems Retirement Plan applicable to employees of SPD Technologies, 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**
Normal retirement:	
Age requirement:	65
Service requirement:	5 years of participation service; None if participation commenced prior to January 1, 1988.
Amount:	A certain percentage of earnings up to a breakpoint each year plus a different percentage of earnings in excess of the breakpoint. The percentages and the associated breakpoints are listed in the following Chart of Plan Provisions. A flat rate minimum benefit for each year of service is also listed in the following Chart of Plan Provisions.
Compensation:	For any Plan Year, but only during the time he or she was a participant, the total taxable earnings, including overtime, bonuses and severance pay and suggestion or scientific awards reported to a participant in Box 1 on Form W-2, but excluding any reimbursements, expenses, losses, or employer contributions under any employee stock purchase plan or deferred compensation plan. The amount of any elective deferrals the participant has authorized the employer to make in accordance with IRC Sections 125 and 401(k) shall be included.
Early retirement:	
Age requirement:	55
Service requirement:	10 years of vesting service; for Henschel hourly employees and Henschel non-highly compensated salaried employees hired prior to June 2, 1989, 5 years of vesting service.
Amount:	Normal retirement accrued benefit, reduced by the early retirement factors as listed in the following Chart of Plan Provisions.
Temporary early retirement supplement:	
Amount:	A participant who retires after Early Retirement Date with at least 30 years of service and satisfies certain age and date of retirement requirements, is entitled to the monthly amount listed in the following Chart of Plan Provisions. This temporary supplement is payable until the earlier of age 62 or death.

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued*

Late retirement:	
Amount:	Additional accruals to actual retirement
Disability:	
Requirement:	Ten years of Vesting Service and must qualify for Social Security disability. For SPD and Switchgear UAW-hourly participants with seniority, the eligibility requirement is five years of Vesting Service.
Amount:	Either an immediate benefit equal to the unreduced accrual benefit, or a benefit deferred to normal retirement date including additional accruals from date of disability to Normal Retirement based on the earnings rate in effect immediately prior to the occurrence of the disability. (See the following Chart of Plan Provisions.)
Vesting:	
Age requirement:	None
Service requirement:	5 years
Amount:	Regular pension accrued payable at age 65. The vested benefit is also payable as early as age 55 for participants meeting service requirements.
Vesting percentage:	Based on early retirement reduction factors as listed in the following Chart of Plan Provisions.
Additional Retirement Benefit:	
Eligibility:	SPD and Switchgear UAW-hourly participants with seniority who retire from active status on or after February 1, 1993.
Amount:	$2 per month per year of Vesting Service on the first anniversary of retirement. An additional $6 per month per year of Vesting Service on the second anniversary of retirement and an additional $4 per month per year of Vesting Service on the third anniversary of retirement.
Special Medicare Part B Reimbursement Benefit:	
Eligibility:	Retired participant who is either over age 65, or disabled and enrolled in the voluntary Medicare Part B coverage under Social Security.
Amount:	Monthly amount as listed in the following Chart of Plan Provisions.

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued*

Pre-retirement death benefits:	
Age requirement:	None
Service requirement:	5 years of participation service
Amount:	Percentage of benefit employee would have received had he/she retired the day before he/she died and elected the joint and survivor option. Commences immediately if employee was eligible for early retirement at time of death. Otherwise, commences no earlier than the participant's first eligibility for early retirement. Benefit percentages are listed in the following Chart of Plan Provisions.
Special spouse's death benefit:	
	For those eligible groups indicated in the following Chart of Plan Provisions, a return of any contributions with interest made under the prior plan, in addition to the regular benefit they receive.
Post-retirement death benefits:	
Amount:	If married, pension benefits are paid in the form of a 50% joint and survivor annuity unless this form is waived by employee and spouse. If not waived, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If waived by employee and spouse, or if not married, benefits are payable for the life of the employee without reduction or in any other available optional form elected by the employee in an actuarially equivalent amount.
Participation:	
Requirement:	Certain employees of Henschel, PacOrd, SPD and Switchgear are participating in the Plan. The Plan is closed to all new hires. Effective June 30, 2007, benefit accruals under the Plan are frozen for UAW represented employees of SPD Electrical System, Inc. and SPD Switchgear, Inc.
Service:	
Benefit credit:	From date of participation.
Vesting credit:	All years of employment are credited.

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued*

Forms of Benefit:	
Normal Form:	Life annuity for unmarried participants. For married participants, a joint and 50% survivor annuity, which is actuarially equivalent to a life annuity.
Optional Forms:	1. Life Annuity with guaranteed payments: a. 10 or 15 years for group benefit group B b. 10 years for benefit groups E and F c. 5, 10, or 15 years for all other groups 2. Life Annuity: All benefit groups 3. Joint and Survivor Annuity: a. 100%, 75%, 60%, or 50% surviving spouse option for benefit groups E and F. b. 100%, 75%, 50%, or 25% surviving spouse option for all other benefit groups.
Lump sum benefit:	Benefits with a present value less than $5,000 are automatically cashed out. An optional lump sum payment is available to participants not covered by collective bargaining if the present value of benefit is less than or equal to $20,000.
Actuarial Equivalence:	For benefits payable under optional forms of payment, the following shall be used for determining actuarial equivalence. 1. For Non-Union Hourly Employees at Henschel Corporation: a. Interest at 7% b. For Participants – The 1971 Group Annuity Mortality Table for Males c. For Beneficiaries – The 1971 Group Annuity Mortality Table for Females 2. All other benefit groups: a. The following factors shall be multiplied by the benefits payable on a life-only annuity basis, and the resulting benefit amount represents the actuarial equivalent benefit payable on the specified form of payment.

Summary of Plan Provisions – *SPD Technologies continued*

Actuarial Equivalence *continued*:

Form of Payment	Factor	Adjustments to Base Factor For Each Year Participant's Age: Is Less Than 65	Is More Than 65	Is Less Than Beneficiary's Age	Is More than Beneficiary's Age
Certain and Continuous Annuity, with certain period of:					
5 years	.980	+.002	-.002	None	None
10 years	.930	+.005	-.005	None	None
15 years	.860	+.009	-.009	None	None
Joint and Survivor Annuity, with the following percentage continued to the beneficiary:					
25%	.950	+.002	-.002	+.002	-.002
50%	.905	+.003	-.003	+.004	-.004
75%	.865	+.004	-.004	+.006	-.006
100%	.830	+.005	-.005	+.007	-.007
If required, factors for certain period or contingent benefit percentages other than those shown above may be determined by interpolating between the factors shown. In no case may any factor exceed .999.					

For lump sum benefits, actuarial equivalence is based on 417(e) assumptions.

Statutory Limits:	
Section 415 limit:	$205,000 (Previously, $200,000)
Section 401(a)(17) limit:	$255,000 (Previously, $250,000)

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued – Chart of Plan Provisions*

Description	SPD – UAW and Switchgear – UAW with Seniority	Henschel Non-highly Compensated Salaried Employees Hired Before June 2, 1989	Henschel Hourly	SPD, PacOrd, Switchgear and Remaining Henschel Salaried Employees	SPD – UAW and Switchgear – UAW without seniority
Plan Document Supplement	**A & D**	**F**	**E**	**B**	**C**
Plan Benefit Accruals	Frozen, effective June 30, 2007	Ongoing	Ongoing	Ongoing	Frozen, effective June 30, 2007
Accrued Benefit					
Earnings Percentage	2%	1.4%, of final five-year average earnings less 1.4% of the primary Social Security benefit times years of service. For service after age 45, both percentages become 1.8%.	1%, 1.5%	2%	1%, 2%
Annual Breakpoint	No breakpoint	No breakpoint	Social Security Wage Base	No breakpoint	50% of the 2004 Social Security Wage Base
Annual Minimum Rate	$216 times service; $300 times years of service for employees with 10 or more years of service	$114 times service, not greater than 85% of final average earnings less 60% of Social Security benefit	$114 times service, not greater than 85% of final average earnings less 60% of Social Security benefit	Not applicable	Not applicable

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued – Chart of Plan Provisions*

Description	SPD – UAW and Switchgear – UAW with Seniority	Henschel Non-highly Compensated Salaried Employees Hired Before June 2, 1989	Henschel Hourly	SPD, PacOrd, Switchgear and Remaining Henschel Salaried Employees	SPD – UAW and Switchgear – UAW without seniority
Plan Document Supplement	**A & D**	**F**	**E**	**B**	**C**
Early Retirement Reduction Factors	No reduction after age 62; reduction factors ranging from 6.7% at age 61 to 42.1% at age 55; no reduction with 30 years of service. Same reduction factors apply to terminated vesteds.	3% per year for each year prior to age 65; reduction is from age 62 if employee retires with at least 30 years of service. Same reduction factors apply to terminated vesteds.	3% per year for each year prior to age 65; no reduction if employee retires on or after age 62 with at least 30 years of service. Same reduction factors apply to terminated vesteds.	3% per year for each year prior to age 65. Same reduction factors apply to terminated vesteds.	6% per year for each year prior to age 65. Same reduction factors apply to terminated vesteds.
Temporary Supplement					
Required Retirement Age	Retire between ages 56 and 62 with at least 30 years of service	Not applicable	Not applicable	Not applicable	Not applicable
Annual Amount	$3,600	Not applicable	Not applicable	Not applicable	Not applicable
Special Medicare Part B Reimbursement Monthly Amount	$45.50	Not applicable	Not applicable	Not applicable	Not applicable
Disability	Immediate	Deferred	Immediate	Deferred	Immediate
Special Spouse's Death Benefit	Yes	No	No	Yes for employees of SPD Technologies only	No
Pre-retirement Spouse's Death Benefit Percentage	70%	60%	60%	60%	50%

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued*

Plan Amendments

Plan Amendment	Effective Date	Reflected in 2013 Actuarial Valuation
SPD - Amendment No. 1. Benefit accruals under the Plan are frozen for UAW represented employees of SPD Electrical System, Inc. and SPD Switchgear, Inc. In addition, provides a 75% joint and survivor annuity as an optional benefit. (Signed November 12, 2007)	*Accrual Freeze* June 30, 2007 *Optional Benefit* January 1, 2008	Yes
SPD - Amendment No. 2. Amended to take fractional months of service into account for vesting purposes. (Signed November 27, 2007)	January 1, 2007	Yes
SPD - Amendment No. 3. Amended definition of actuarial equivalence for purposes of calculating certain optional benefit forms applicable to Section 415. (Signed November 7, 2008)	January 1, 2004	Yes
SPD - Amendment No. 4. Technical changes were made that did not affect the valuation. (Signed December 23, 2008)	January 1, 2008 & January 1, 2009	Yes
SPD - Amendment No. 5. Merger of the SPD Technologies Retirement Plan and the Retirement Plan for Employees of Power Paragon, into the Marine and Power Systems Retirement Plan. (Signed October 21, 2010)	January 1, 2010	Yes
M&PS - Amendment No. 1. Pertains to plan provisions that do not impact the valuation. (Signed December 8, 2010)	January 1, 2007	Yes
M&PS - Amendment No. 2. Amended definition of earnings to include periods of short term disability and qualified military service. (Signed June 16, 2011)	July 1, 2011	Yes

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *Power Paragon*

This subsection summarizes the major provisions of the Marine and Power Systems Retirement Plan applicable to employees of Power Paragon, Inc., 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 January 1, 2007** **Ongoing accruals for employees hired prior to January 1, 2007**
Normal retirement:	
Age requirement:	65
Service requirement:	1 year of vesting service
Amount:	0.65% multiplied by Credited Service (not to exceed 35 years) times the lesser of the participant's Average Monthly Compensation and Monthly Covered Compensation, plus 1.30% multiplied by Credited Service (not to exceed 35 years) times the participant's Average Monthly Compensation in excess of Monthly Covered Compensation.
Compensation:	Defined as total annual compensation actually paid by employer, including elective contributions or deferrals made by the employer on behalf of the employee that are not includible in gross income. Annual compensation is capped at $250,000 (adjusted for cost of living, as provided by Code Section 401(a)(17)). Average Monthly Compensation is attained by dividing total compensation during the highest five consecutive calendar years out of the last ten consecutive calendar years by 60.
Minimum amount:	For Grandfathered Participants a minimum benefit equal to (1.) – (2.), as defined below. For purposes of computing the Grandfather Minimum Benefit, Credited Service includes service under the current plan as well as Teledyne and MagneTek Plans. 3. 1.00% multiplied by Credited Service (not to exceed 30 years) times the lesser of the participant's Average Monthly Compensation and Monthly Covered Compensation, plus 1.65% multiplied by Credited Service (not to exceed 30 years) and the participant's Average Monthly Compensation in excess of Monthly Covered Compensation. 4. MagneTek Plan accrued benefit plus any transition credits at Severance from Service Date converted to a life annuity with 120 months certain benefit. Grandfathered Participants are employees covered by the Teledyne Plan on October 30, 1992, who were age 45 with 5 years of vesting service, and age plus service at least equal to 60 on October 30, 1992, who became participants in the MagneTek Plan on October 31, 1992, and who commenced participation in the plan on January 1, 1995.

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *Power Paragon continued*

Early retirement:	
Age requirement:	55
Service requirement:	10 years of vesting service
Amount:	Accrued normal retirement benefit, reduced by actuarial equivalent factors for early commencement.
Early commencement reduction:	Based on actuarial equivalence using 1984 Unisex Pension Mortality Table with an interest rate of 7-1/2%.
Late retirement:	
	Additional accruals to actual retirement date.
Disability:	
Service requirement:	5 years of vesting service
Benefit:	Accrued Benefit calculated using level Compensation from disability until age 65 or benefit commencement date, and Credited Service from employment commencement date to age 65 or benefit commencement date. If benefits commence before age 65, an actuarial equivalent reduction will be applied for early commencement.
Termination Benefit:	
Age requirement:	None
Service requirement:	5 years of vesting service
Amount:	Accrued benefit payable at age 65, reduced by actuarial equivalent factors at benefit commencement if benefit commencement is prior to age 65 (requires 10 years of service for early commencement).
Vesting percentage:	100% after 5 years of Vesting Service.
Pre-retirement death benefits:	
Age:	None
Service requirement:	5 years of vesting service
Amount:	50% of the benefit the employee would have received had retired the day before died and elected the 50% joint and survivor option, payable at the earliest retirement date of the employee.

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *Power Paragon continued*

Participation:	
Age requirement:	None
Service requirement:	1 year of vesting service. Participation begins on the January 1 or July 1 following one year of vesting service.
Service:	
Vesting credit:	Service from the later of date of hire or November 23, 1994.
Credited service:	Service from the later of date of hire or November 23, 1994. Credited Service is given from October 30, 1992 if the employee was a participant in the Teledyne Plan as of October 30, 1992 and at least 45 years of age. Additionally, employee must have at least 5 years of Vesting Service with age and service greater than or equal to 60, and then became a participant in the MagneTek Plan on October 31, 1992 prior to becoming a participant in this Plan on January , 1995.
Forms of Benefit:	
Normal Form:	Life annuity with 120 months certain for unmarried participants. For married participants, a joint and 50% survivor annuity, which is actuarially equivalent to a life annuity.
Optional Forms:	1. Life Annuity 2. Life Annuity with 120 months certain 3. Joint and 50% survivor annuity 4. Joint and 66-2/3% survivor annuity 5. Joint and 75% survivor annuity
Lump sum benefit:	Benefits with a present value of less than $5,000 are automatically cashed out. If present value of benefit is over $5,000 but less than or equal to $20,000, the participant can elect the lump sum payment.
Actuarial Equivalence:	Benefits paid under an optional form of payment shall equal the Actuarial Equivalent of the normal form of benefit, determined on the basis a 7.5% interest rate and the 1984 Unisex Pension Mortality Table. For lump sum benefits, actuarial equivalence is based on 417(e) assumptions.
Statutory Limits:	
Section 415 limit:	$205,000 (Previously, $200,000)
Section 401(a)(17) limit:	$255,000 (Previously, $250,000)

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *Power Paragon continued*

Plan Amendments

Plan Amendment	Effective Date	Reflected in 2013 Actuarial Valuation
PPI - Amendment No. 1. Amended definition of compensation to exclude all severance payments whether paid in a lump sum or a salary continuation and payments for unused vacation or sick leave payments and vested stock based awards. (Signed July 30, 2007)	September 1, 2007	Yes
PPI - Amendment No. 2. Provides a 75% joint and survivor annuity as an optional benefit. (Signed January 1, 2008)	January 1, 2008	Yes
PPI - Amendment No. 3. Pertains to plan provisions that do not impact the valuation. (Signed July 22, 2008)	January 1, 2008	Yes
SPD - Amendment No. 5. Merger of the SPD Technologies Retirement Plan and the Retirement Plan for Employees of Power Paragon, into the Marine and Power Systems Retirement Plan. (Signed October 21, 2010)	January 1, 2010	Yes
MPS - Amendment No. 1. Pertains to plan provisions that do not impact the valuation. (Signed December 8, 2010)	January 1, 2007	Yes
MPS - Amendment No. 2. Amended definition of earnings to include periods of short term disability and qualified military service. (Signed June 16, 2011)	July 1, 2011	Yes

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Line 22 – Description of Weighted Average Retirement Age
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

SPD Technologies

Age	Rate	Probability of Retiring	Age x Probability
55	13.00%	13.00%	7.15
56	8.00%	6.96%	3.90
57	8.00%	6.40%	3.65
58	8.00%	5.89%	3.42
59	8.00%	5.42%	3.20
60	18.00%	11.22%	6.73
61	18.00%	9.20%	5.61
62	35.00%	14.67%	9.09
63	35.00%	9.53%	6.01
64	35.00%	6.20%	3.97
65	35.00%	4.03%	2.62
66	20.00%	1.50%	0.99
67	20.00%	1.20%	0.80
68	20.00%	0.96%	0.65
69	20.00%	0.77%	0.53
70	100.00%	3.06%	2.14
			60.46

Power Paragon, Inc.

Age	Rate	Probability of Retiring	Age x Probability
55	2.00%	2.00%	1.10
56	2.00%	1.96%	1.10
57	2.00%	1.92%	1.09
58	2.00%	1.88%	1.09
59	2.00%	1.84%	1.09
60	5.00%	4.52%	2.71
61	5.00%	4.29%	2.62
62	10.00%	8.16%	5.06
63	10.00%	7.34%	4.63
64	10.00%	6.61%	4.23
65	35.00%	20.81%	13.53
66	20.00%	7.73%	5.10
67	20.00%	6.18%	4.14
68	20.00%	4.95%	3.36
69	20.00%	3.96%	2.73
70	100.00%	15.83%	11.08
			64.66

Headcount

SPD	113
Power Paragon	250
	363

Weighted Average

(60.46 *113+64.66*250)/363	63.35

Attachment to 2013 Schedule SB of Form 5500
Schedule SB, Line 32 – Schedule of Amortization Bases
The Marine and Power Systems Retirement Plan
EIN 13-3937436 PN 012

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	$3,235,936	$3,235,936	7	$540,052
2012	(14,060,148)	(12,630,708)	6	(2,386,353)
2011	20,569,267	15,401,382	5	3,384,251
Total		**$6,006,610**		**$1,537,950**